

City of Norfolk



City Council Retreat
September 23 and 24, 2013

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NORFOLK

CITY COUNCIL

RETREAT AGENDA Monday, September 23, 2013

CONTINENTAL BREAKFAST

- | | | | |
|------|---|---------------|--|
| I. | INTRODUCTORY COMMENTS | 8:45 – 9:00 | Mayor Paul D. Fraim |
| II. | FY 2013 PRELIMINARY YEAR END AND
FY 2014 CHALLENGES AND BEYOND | 9:00 – 9:30 | Marcus D. Jones, City Manager, and
Sabrina Joy-Hogg, Assistant City Manager |
| III. | COMPENSATION STRATEGY DISCUSSION | 9:30 – 10:00 | Marcus D. Jones, City Manager and
Sabrina Joy-Hogg, Assistant City Manager |
| IV. | NORFOLK PUBLIC SCHOOLS UPDATE | 10:00 – 11:00 | Dr. Kirk Houston, School Board Chair and
Dr. Samuel King, School Superintendent |

BREAK **11:00 – 11:15**

- | | | | |
|----|---|---------------|-------------------------------|
| V. | REAL ESTATE TAX SUSTAINABILITY
STRATEGY DISCUSSION | 11:15 – 12:00 | Marcus D. Jones, City Manager |
|----|---|---------------|-------------------------------|

LUNCH **12:00 – 1:00 PM**

- | | | | |
|------|--|-------------|---|
| VI. | SAFE, HEALTHY AND INCLUSIVE
COMMUNITIES | 1:00 – 2:00 | Michael Goldsmith, Police Chief, Bob
Batcher, Director of Communications, and
Michael Wasserberg, Director Homelessness |
| VII. | NEIGHBORHOOD DEVELOPMENT | 2:00 – 3:00 | Marcus D. Jones, City Manager and
Ronald H. Williams, Jr., Assistant City
Manager |

BREAK **3:00 – 3:15**

- | | | | |
|-------|---------------------------------------|-------------|---------------------------------------|
| VIII. | ST. PAUL'S AREA STUDY | 3:15-3:45 | Frank Duke, Director of Planning |
| IX. | BOARDS, COMMISSIONS AND
COMMITTEES | 3:45 – 4:15 | Open Discussion, City Council Members |

DINNER AT SMITHFIELD INN **6:00 PM**



NORFOLK

RETREAT AGENDA Tuesday, September 24, 2013

BREAKFAST IN RESTAURANT

8:00 – 8:30 AM

I. LEGISLATIVE AGENDA

8:30 – 9:00

Ronald H. Williams, Jr., Assistant City Manager

II. VISION SETTING FOR STRATEGIC
MARKETING

9:00 – 11:00

*John Martin, President & CEO,
Southern Institute of Research*

BREAK

11:00 – 11:15

III. REVIEW OF COUNCIL APPOINTEES

11:15 – 12:30

City Council

LUNCH (BOX LUNCH PROVIDED)

12:30 PM

City of Norfolk Update

Executive Summary

Topic:	City of Norfolk Update
Description:	<p>This document provides an update from the Administration on the following:</p> <ol style="list-style-type: none">1. Citywide priorities, goals and outcome measures2. Priority Focus for FY14
Analysis:	<p>The city has made a great deal of progress toward the goal of being a <i>Well-Managed Government</i>, from prioritizing our programs and services, to evaluating our operations and our employees, to striving for excellence in each department. This effort was recognized by the National Civic League who named Norfolk as an All-America City for 2013 for our efforts in three Norfolk initiatives – Veterans Affairs, Flooding and the Neighbors Building Neighborhood program.</p> <p>For FY 2014, the city has made Lifelong Learning and Economic Vitality and Workforce Development a key focus for the city.</p>
Financial Impact:	None
Recommendation(s):	Continue to build our vision around Norfolk's priorities.

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City of Norfolk Update:

In 2011, together we undertook a priority setting process that established six City Council priorities. Our work as an administration is continuously focused around those citywide priorities and initiatives that move Norfolk forward as a well-managed government. The well-managed government priority was the focus of FY 2013 and the city has made a great deal of progress toward this goal.

For FY 2014, the city has made Lifelong Learning and Economic Vitality and Workforce Development a key focus for the City. The City Manager has charged all departments in developing 1 to 2 measures that will move these priorities forward. Departments are changing the way they think about how we do business in the City based on our priority setting process.

One of our biggest accomplishments this year resulted in our work as a well-managed government being acknowledged by the National Civic League who named Norfolk as an All-America City for 2013. Three of our current programs - Veterans Initiative, Flood Mitigation and Neighbors Building Neighborhoods - were awarded for addressing local challenges with innovative, grassroots strategies that promote civic engagement across the sectors of our community. All three programs were initiated in part due to the priority setting progress.



The following pages provide an overview of the accomplishments that have been achieved in the last 12 months around these priorities.

City of Norfolk Priorities:

- **Accessibility, Mobility and Connectivity:** A comprehensive network of accessibility and information gathering options, addressing all traditional transportation modes as well as new technologies, which connects people, goods and information
- **Economic Vitality and Workforce Development:** A growing competitive and diversified economy that enhances the quality of life for residents through a wide range of housing, shopping, educational, cultural, business and employment opportunities
- **Environmental Sustainability:** A premier waterfront community that creates a positive, regenerative effort on its environment, avoids detrimental environmental impacts and thrives economically and culturally
- **Lifelong Learning:** Residents of all ages enjoy a culture of learning that enables them to reach their full potential, achieve personal goals, and, through the knowledge, skills abilities, and talents, become well equipped to support a prosperous economy
- **Safe, Healthy and Inclusive Communities:** Residents of diverse backgrounds and interests feel encouraged and empowered to assist in the development of safe and healthy neighborhoods thereby fostering a culture of leadership, pride and well-being that advances Norfolk's brand as a desirable and enjoyable place to live, learn, work and play
- **Well-Managed Government:** A data-driven organization that provides effective and efficient programs and services that are responsive, accountable, and inclusive and customer-focused.

Accessibility, Mobility and Connectivity:

- Public Works began construction of the intercity Passenger Rail Facility at Harbor Park and it is scheduled for completion in September 2013. The 3,500 square foot facility is within walking distance to the Harbor Park Light Rail Station and will improve transportation options for Norfolk residents, businesses and visitors.
- The Department of Communications launched video coverage of the City Council Work and Regular Session in addition to formal meetings. The department also added a new broadcast capability that displays timely city information during regular programming.
- Fire-Rescue purchased “Health EMS,” a new software reporting package for Emergency Medical Services that will enable the department to better capture emergency medical response data. The data will provide the department with the ability to initiate quality assurance and quality improvement to emergency medical responses. The improvement of documentation, in addition to greater involvement of supervisory staff in providing appropriate medical care, will ultimately lead to improved services to customers.



- Information Technology expanded Norfolk’s social media presence on Twitter and Facebook. Norfolk’s social media presence has a daily engagement of over 1,350 followers on Twitter and 20,000 people monthly through its Facebook presence, with a reach of 1.15 million contacts.
- Parking installed nine Pay-In-Lane and five Pay-On-Foot automated units for transient payments at various parking garages. Parking also utilized technology to improve the effectiveness of service to monthly and residential parkers as well as improve the collection of unpaid fees.
- Public Works completed safety improvements at Military Highway/Norview Avenue, Military Highway/Azalea Garden Road and Norview Avenue/I-64 Ramp Improvements, totaling over \$8 million.
- Information Technology was recognized by Governor Robert McDonnell for STORM 2.0, a computer-based storm damage reporting tool. The tool was built by the city’s IT department and won an award for the innovative use of technology.
- Public Works, RPOS and Planning have made investments in bicycle infrastructure including improving bicycle roadway safety, the development of sharrows and increasing the number of secured bicycle parking spaces citywide.



Economic Vitality and Workforce Development:



- The city announced the public-private partnership agreement with the Cordish Company for the transformation of Waterside into a regional entertainment and restaurant complex that will consist of \$40 million in direct investment into the facility and a revenue sharing agreement that will provide over \$91 million in tax revenue over 30 years.

• Norfolk partnered to host a demonstration “Better Block” residents experience implementing short-revitalization projects. Initial efforts in FY Design District were positive and the inexpensive way to create excitement projects.



with Team Better Block project and provide term neighborhood 2013 in the Arts and program provides an around community

- RPOS replaced playground equipment at 9 parks and schools and continued expansion and construction of Therapeutic Recreation Center, Ingleside Gym and Southside Aquatics Center.
- Development announced the Ghent Station development which will turn under-utilized and vacant city-owned property into a \$17.5 million mixed use center; to include a gourmet grocery and Bon Secours occupied medical office space.



- Cultural Facilities, Arts and Entertainment hosted the first Mid Eastern Athletic Conference (MEAC) basketball tournament in the City of Norfolk since 1994, bringing visitors to the downtown and providing revenue to the city.

- The city hosted a street festival called Imagine" to showcase new development encourage residents and visitors to enjoy



"Meet, Greet, and on Granby Street and Downtown Norfolk.

- The City announced a public-private partnership agreement with Gold Key PHR Hotels and Resorts to build a 300 room, 50,000 square foot high tech hotel conference center with a 611 space parking garage to meet demand for meeting and conference room space. The project will create 500 construction jobs and 250 full-time jobs.



- The Departments of Development, Planning and Community Development and the reconfigured Department of Communications and Technology are working collaboratively on the Smart Processing initiative. The City will work to create a “one-stop” service center for development related permits to help improves processing times, eliminate redundancy and establish an image of certainty and efficiency in the community. Technology improvements will facilitate online submission of plans, enhanced permit tracking and provide for an expedited permitting process.

Environmental Sustainability:

- The Department of Utilities was awarded the Virginia Water Environment Association's (VWEA) 2013 Silver Industrial Waste and Pretreatment Environmental Excellence Award for Water Production at the Moores Bridges Water Treatment Plant.



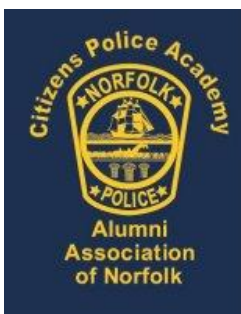
- The city has developed a comprehensive approach to address both precipitation and tidal flooding across the entire city. With implementation of a long-term tidal and precipitation flooding analysis as well as a shoreline protection analysis, the city is developing solutions for the short-term and long-term.
- Storm Water Management developed the city's preliminary feasibility studies to address the Chesapeake Bay total maximum daily load pollutant reduction requirements. Studies and program development include a city-owned best management practice (BMP) retrofit study, a voluntary residential BMP installation program, a stream restoration identification study, and an oyster reef restoration study for the Lafayette River.
- The Zoo was awarded "River Star" model level by the Elizabeth River Project for sustained and distinguished environmental performance. The zoo is recognized for its floating water purification islands, oyster beds, wetlands restoration, and rain water conservation gardens.
- Planning was awarded 'Best of the Best: Restored Beach in the Northeast', by American Shore and Beach Preservation Association, for East Beach.
- General Services completed procurement, training, and installation of state-of-the-art energy management software which will save energy and help manage increasing utility costs citywide, commissioned the newly expanded Central Energy Plant which will support the new Consolidated Courts Complex and save energy and installed an automated lighting control system in City Hall which will save energy by automatically turning off lights when not needed
- Human Services reduced paper usage and cost of file storage, as well as improved file management, by setting up and using Laserfiche, an on-line documentation system for the self-sufficiency unit.
- General Services' Division of Parking replaced eleven outdated motorized scooters with the ultra-compact and fuel efficient Smart Car.

Preserving our coastal economy
asbpa
and ecology since 1926



Lifelong Learning:

- Norfolk continued the Norfolk Emerging Leaders (NEL) Program which is one of the premier learning opportunities for high school and college students to gain meaningful exposure to careers in public service. The NEL program provides more than 200 high school and college students the opportunity to work side-by-side with experienced municipal employees in a variety of programs and service areas.
- Human Services sponsored seven (formerly incarcerated) students from the prisoner re-entry program in the Tidewater Community College Culinary Arts Program. All graduated successfully and secured employment following the training.
- Human Resources implemented an eight-week Supervisor's Leadership Academy which included training in the development of several new programs: job shadowing, coaching, employee engagement, conflict resolution, and personnel policy training.
- Nauticus hosted the Inaugural Haunted Battleship event that brought 239 citizens to Nauticus. Engaged 85 new volunteers and produced more than 900 hours of service. Additionally, 34,300 volunteer hours have been accumulated by Norfolk citizens aboard the Battleship Wisconsin.
- RPOS continued the Summerplunge Program, a free water safety and swimming program at Berkley Outdoor Pool, Chesterfield Outdoor Pool, and Huntersville Indoor Pool. Approximately 5,000 people were served during the summer of 2012.



- Police continued efforts to develop partnerships, prevent crime, and solve problem neighborhood issues through community collaboration programs facilitated by the NPD Community Resource Officers, such as the Citizen Academy. A total of 71 citizens attended two 13-week sessions.
- Libraries participated in Norfolk Public Schools' Fall and Spring Parent University, the Children's Festival at Town Point Park, various college volunteer fairs, and the TowneBank Fountain Park Field Days offering resources and information to the community. Libraries also re-opened all 10 neighborhood branch libraries on Mondays.
- Human Resources revised and implemented the Tuition Assistance Program and continued the 4 volunteer hours for employees to utilize with Norfolk Public Schools.
- RPOS expanded hours at recreation centers to include teen and adult hours for 10 weeks during the summer months as well as offering expanded hours at all 18 recreation centers.
- The City Manager's Office established a partnership between university presidents and the City Manager to promote economic growth and create a community of innovation.

Safe, Healthy and Inclusive Communities:

- Police conducted business community initiatives such as the "Business Watch" which continues to exceed expectations. Currently, 462 local businesses are actively involved in improving their physical and personnel security, an increase of 30 percent from last year.
- Communications held the first annual Front Porch Summit to bring the city's neighborhoods together to share ideas and highlight community achievement.
- The city created a "Healthy Norfolk" action plan with partner organizations that identifies ways to improve access to physical activity and healthy eating opportunities and encourage healthy lifestyles.
- Planning collaborated with businesses and individuals to expand bike parking in Norfolk significantly over the year from fewer than 100 counted spaces to a currently documented inventory of more than 150 citywide.



- The city transitioned Norfolk Community Services Board (NCSB) from an independent organization to a department in the City of Norfolk.
- Fire Rescue maintained consistent staffing with four firefighters on each engine, and continues to maintain an average four minute response time for life threatening calls (i.e., structure fires and heart attacks).
- Human Services facilitated 43 children adoptions, including seven sets of two sibling groups and three sets of three sibling groups.
- The Office to End Homelessness collaborated with regional partners to develop and implement a centralized housing intake process. This new process streamlines access to permanent and transitional housing programs in the city, eliminates barriers and duplication in services and establishes a mobile central intake and shared data system for single adults through housing focused outreach. From September to November 2012, a total of 91 regional applications, including 23 Norfolk applicants, were processed and prioritized for housing.
- Police continued efforts towards stemming the flow of narcotics into the Norfolk community. Seized narcotics totaling over three million dollars.



Well Managed Government

- Utilities reduced costs and implemented efficiencies for approximately \$2.2 million in annual savings by modifying the times when finished water is pumped into storage tanks to best match production during peak demand periods and reorganizing work schedules.
- Human Resources conducted a dependent eligibility audit for all current dependents enrolled in the Norfolk Consortium's healthcare plan; including the City of Norfolk, Norfolk Public Schools and the Norfolk Redevelopment and Housing Authority.
- Finance initiated project for program and service upgrades to the city's financial management system that will enhance capabilities for system support, data management and retention, and electronic transactional processes.
- Utilities established 2012 Water Revenue Bond refunding, which resulted in \$52.8 million of debt service savings over the remaining term of the loan (\$29.9 million net savings).
- Information Technology implemented the city's IMPACT call center and integrated the Division of Waste Management's call center into its operations for greater efficiencies.
- Finance managed the city's \$1.3 billion debt portfolio; including the issuance of new debt and the refinancing of the existing portfolio to decrease ongoing debt service costs. The city's existing long-term and short-term bond ratings were reaffirmed by the three major rating agencies.
- Fleet Management outsourced vehicular parts room operation to an independent private contractor as part of a best practice initiative to increase efficiency and effectiveness of overall operations and completed a citywide car rental agreement as part of a best practice initiative to reduce the overall size of the city's fleet of vehicles.
- Budget and Grants Management identified and implemented process improvements that resulted in a more efficient development and administration of HUD entitlement grant funds. These improvements included streamlining the vendor payment process, combining application review groups, modifying the contracting process, and automating the application submission process.
- The city participated in and completed the shared services study in conjunction with the cities of Chesapeake and Virginia Beach. Led by the Hampton Roads Partnership and the local business community to identify opportunities for efficiency improvements in local government, the Shared Services initiative identified 11 opportunities for collaboration between Norfolk, Chesapeake and Virginia Beach, with the Sign Shop, Elevator Inspections and Permitting recommendations implemented in FY 2013.
- Human Resources initiated citywide policy review, including overall assessment and initial rewrites of over 20 city policies.



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City of Norfolk Priorities

Executive Summary

Topic: City of Norfolk Priorities

Description: This document provides an update the City of Norfolk Priorities and highlights key accomplishments in each of the six priority areas.

Analysis: The vision set forth for each priority area has assisted the Administration with establishing goals and objectives and performance measures that ensure accountability for city departments. The items highlighted in this section demonstrate the key accomplishments and major projects for FY 2014.

For FY 2014, the city has made Lifelong Learning and Economic Vitality and Workforce Development a key focus for the city. All departments were to develop one to two measures that will move these priorities forward.

Financial Impact: There is no financial impact

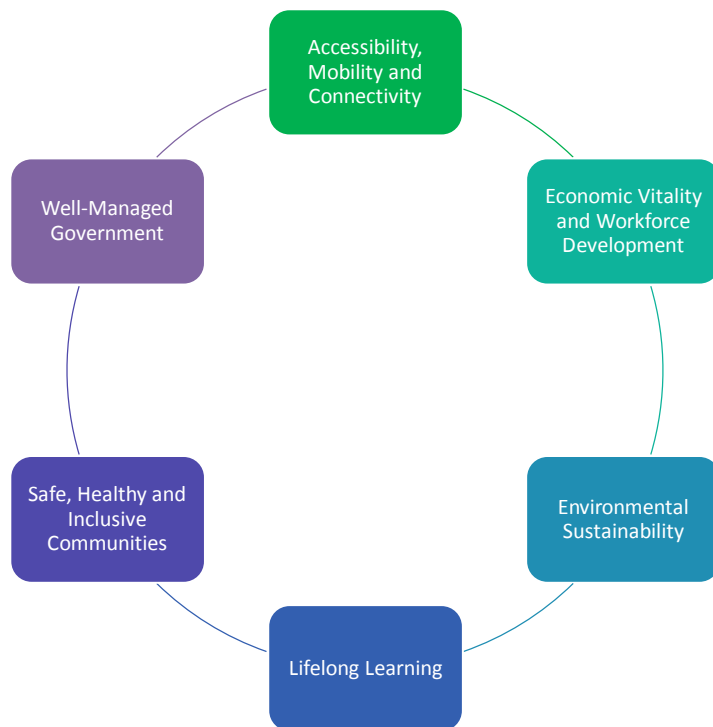
Recommendation(s): Continue to build our vision around Norfolk's priorities.

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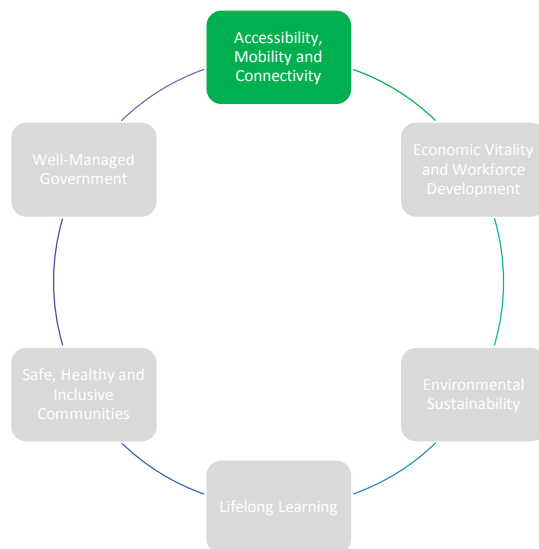
City of Norfolk Priorities

City Council Retreat
September 23-24, 2013

City of Norfolk Priorities



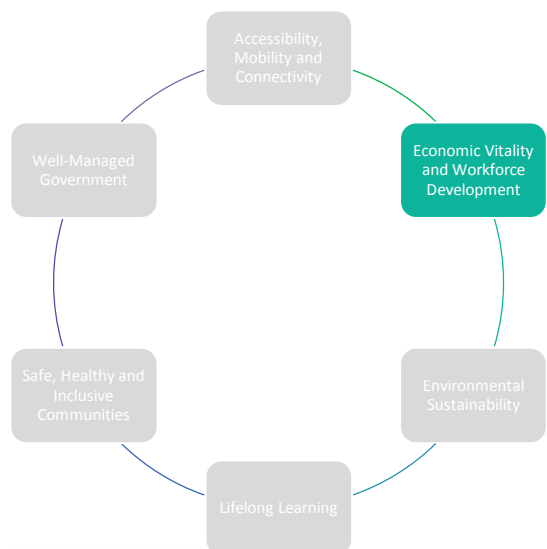
Accessibility, Mobility and Connectivity Accomplishments



- Bus Transfer Station
- Intercity Passenger Rail Facility at Harbor Park
- We Roll Together Campaign
- Light Rail exceeds projections at 1 year anniversary
- Bicycle Infrastructure Improvements
- New Regional Roadway Funding
- Downtown Tunnel/ Midtown Tunnel/ MLK Expansion
- Consolidated Courts Complex
- Top Deck Parking Program



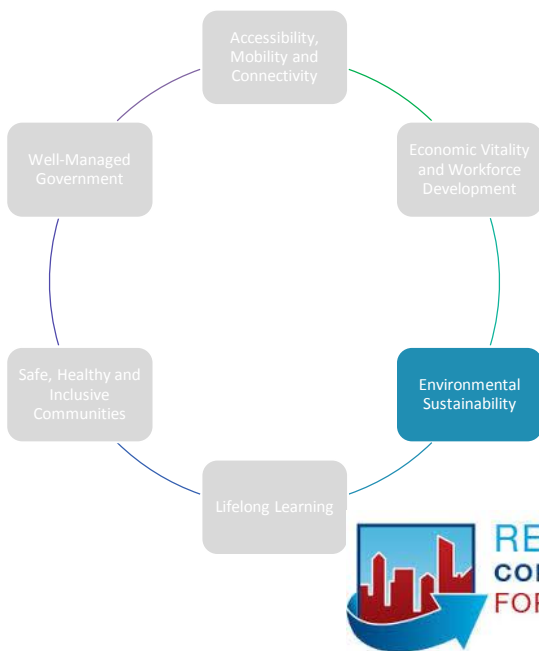
Economic Vitality and Workforce Development Accomplishments



- Waterside Live
- Meet, Greet, and Imagine
- Hotel Conference Center
- Norfolk named one of the top five cities for entrepreneurs
- Ghent Station
- Vibrant City Initiatives
 - Better Block
 - Arts and Design District
 - Downtown Food Vendor Program
 - First Fridays Downtown
 - Top Deck Parking Program



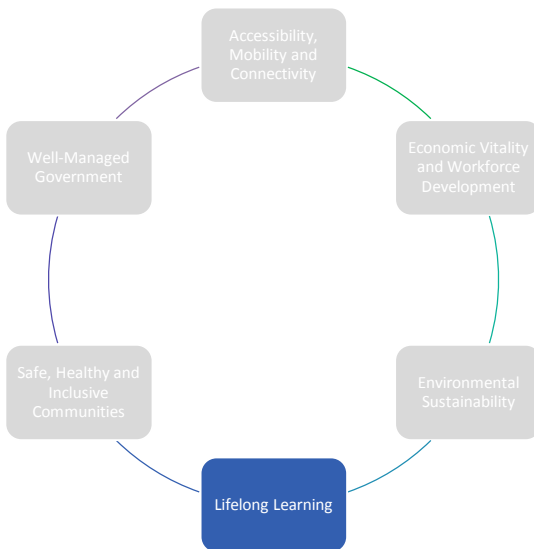
Environmental Sustainability Accomplishments



- RE.invest Initiative
- Resilient Communities for America
- “Green Leader” Award
- Virginia Water Environment Award
- National Leader in flood prevention and planning
- New Government Buildings LEED Certified
- Smart Cars

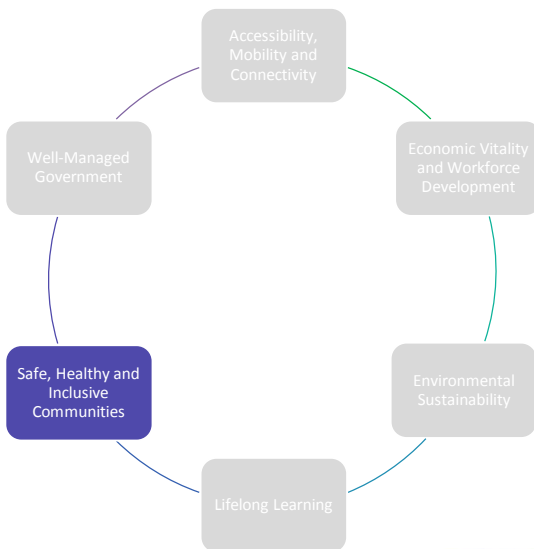


Lifelong Learning Accomplishments



- Samuel L. Slover Memorial Library
- Park Place E3 Child Care Center
- Larchmont wins Distinguished Achievement Award
- Hatch
- Best Job Growth for young college graduates and seasoned workers
- Norfolk Collegiate Performing Arts Center
- Chrysler Museum of Art Expansion and Renovation
- Consolidation of Governor's School for the Arts
- Supervisor's Leadership Academy
- Tuition Assistance Program
- Volunteer Hours for City Employees with Norfolk Public Schools

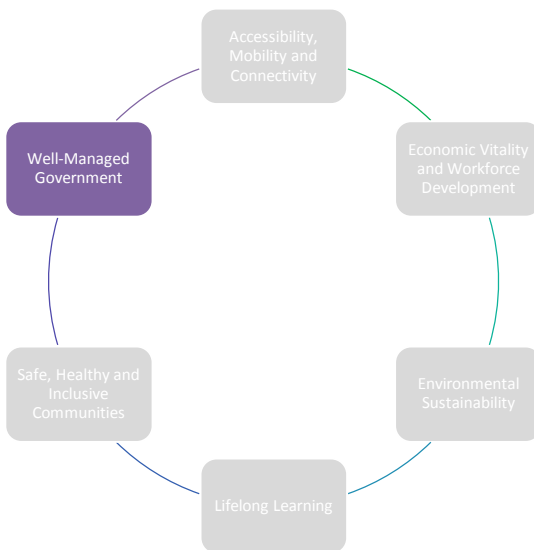
Safe, Healthy and Inclusive Communities Accomplishments



- Award for Valor
- Playful City USA
- YMCA on Granby
- Front Porch Summit
- Healthy Norfolk
- Expanded Bike Parking
- Transition of Community Services Board to the City



Well-Managed Government Accomplishments



- All America City
- Smart Processing – One-stop
- CivicPlus Contest to Redesign website
- Norfolk's Comprehensive Plan wins "Best in State"
- Shared Services Study
- Human Resources Policy Review
- Health Care Audit



Council Strategy Discussion and Direction

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FY 2013 Year-End and FY 2014 Challenges and Beyond

Executive Summary

Topic:	FY 2013 Year-End and FY 2014 Challenges and Beyond Discussion
Description:	The presentation provides an update of the preliminary FY 2013 year-end figures and an outlook of the challenges in FY 2014 and beyond.
Analysis:	<p>The FY 2013 budget was developed with no general tax increases, no layoffs and furloughs, and no gutting of core services. It did provide for a general salary increase and Norfolk Public Schools budget request. Although in the past two years, the General Fund has ended with a surplus of \$8.6 - \$9 million, in FY 2013, the preliminary estimate of the surplus will be lower (about \$3 million). This estimate is subject to change pending completion of the year-end audit.</p>
Financial Impact:	<p>Preliminary FY 2013 year-end numbers indicate a \$3 million surplus. However, Norfolk's fiscal challenges will continue into FY 2015 and beyond. In order to fund programs and services that achieve the City Council goals and priorities, the Administration is exploring the following revenue and expenditure options.</p>
Recommendation(s):	<p>Revenue: Option to ensure sustainability of the real estate tax.</p> <p>Expenditures:</p> <ul style="list-style-type: none">• Continue efficiency measures• Continue to pursue shared services activities• Review position levels for appropriateness• Analyze city services with respect to performance indicators

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FY 2013 Preliminary Year-End and FY 2014 Challenges and Beyond

City Council Retreat
September 23-24, 2013

Presentation Overview

- The purpose of the presentation is to provide City Council with a preliminary review of the General Fund FY 2013 year-end results and FY 2014 challenges and beyond
- It is important to note that the FY 2013 figures presented are preliminary, pending the completion of the year-end independent financial audit
- No action is required of City Council at this time

Preliminary FY 2013 General Fund Year-End Review

Recap: FY 2013 Budget Development Priorities

- ☐ No General Tax Increases
- ☐ No Layoffs
- ☐ No Furloughs
- ☐ No Gutting of Core Services
- ☒ Provide Salary Increases (Employer of Choice)
- ☒ Address Norfolk Public Schools Request

General Fund Preliminary FY 2013 Year-End (in million \$)

FY 2013 Budget Overview (preliminary)

	Budget	Actual	Variance
o Revenue (0.02 percent or \$150,000 less than anticipated)	\$803.1	\$803.0	(\$0.15)
o Expenditure (1.9 percent or \$23.5 million under budget)	\$803.1	\$779.7	(\$23.46)

FY 2013 Budget Variance

\$23.3

FY 2013 Year-End Resources:

o FY 2013 Budget Variance	\$23.3
o Other Resources (FY 2012 surplus, account closeouts)	\$ 9.8

Subtotal Year-End Resources

\$33.1

Designations: Approved Carryforward/Other Potential Designations

o Approved FY 2014 Carryforward	(\$19.6)
o Approved Norfolk Public Schools FY 2014 Carryforward	(\$ 7.7)
o Other Potential Designations (Norfolk Public Schools surplus - \$0.9 million; Downtown Improvement District Public and Performing Arts funds - \$103,000; Courthouse Construction fee - \$219,000; reimbursement for storm related expenditure -\$1.6 million)	(\$ 2.8)

Subtotal Designations

(\$30.1)

Undesignated Balance*

\$3.0

* Figures are preliminary, pending completion of independent financial audit

Norfolk Public Schools Preliminary Year-End

(in millions \$)

FY 2013 Budget Overview (preliminary)

	FY 2013 Actual	Budget	Actual	Variance
o Revenue from the Commonwealth*	\$179.8	\$179.7	\$179.7	\$0.0
o Revenue from Federal Government*	\$5.4	\$4.8	\$5.6	\$0.8
o City Contribution	\$104.5	\$107.2	\$107.2	\$0.0
o Other Local Revenue	\$1.8	\$4.2	\$3.7	(\$0.5)
o Carryforwards	\$2.8	\$9.5	\$9.5	\$0.0
o Actual Revenue (0.1 percent or \$0.3 million less than anticipated)	\$294.3	\$305.4	\$305.7	\$0.3
o Actual Expenditure (2.7 percent or \$8.3 million under budget)		\$305.4	\$297.1	\$8.3

FY 2013 Budget Variance

\$8.6

Designations:

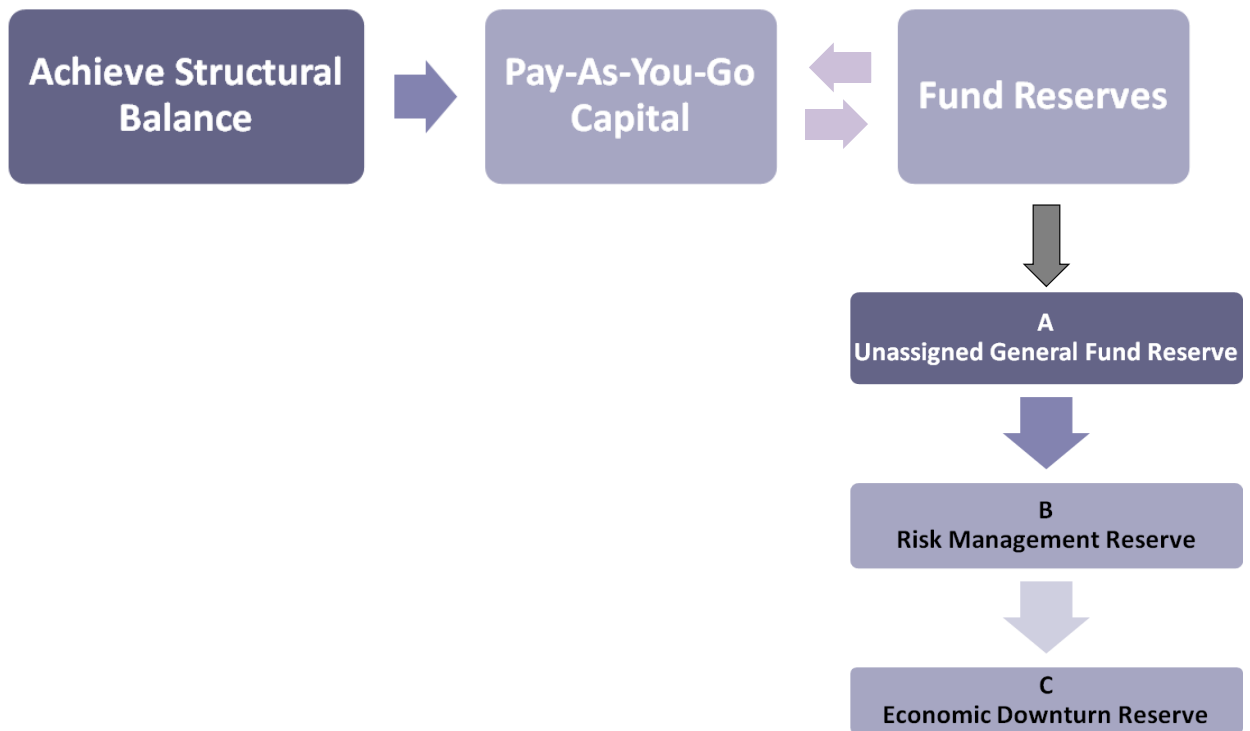
- o Approved Norfolk Public Schools FY 2014 Carryforward **(\$7.7)**

Undesignated Balance*

\$0.9

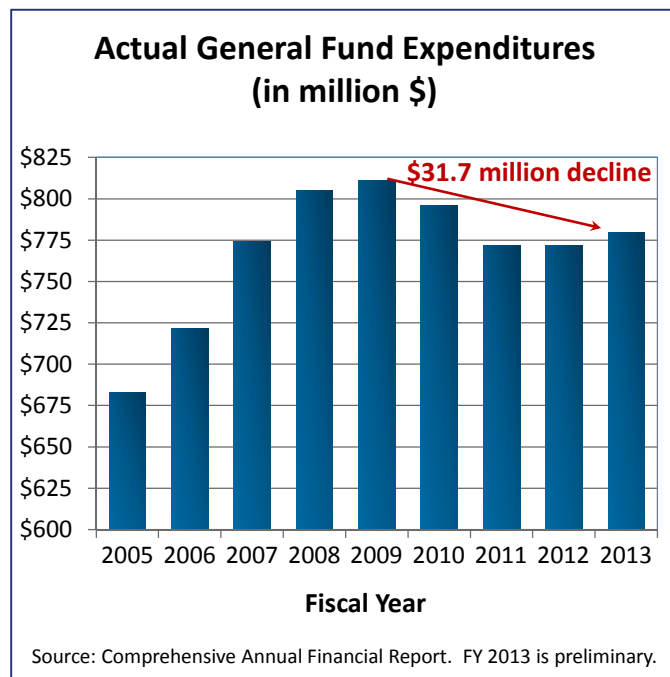
* Figures are preliminary, pending completion of independent financial audit. Amounts may not sum to total due to rounding. Revenue from the Commonwealth and Federal Government may differ due to a classification of carryforward revenue.

Reserve Funding Plan Priorities

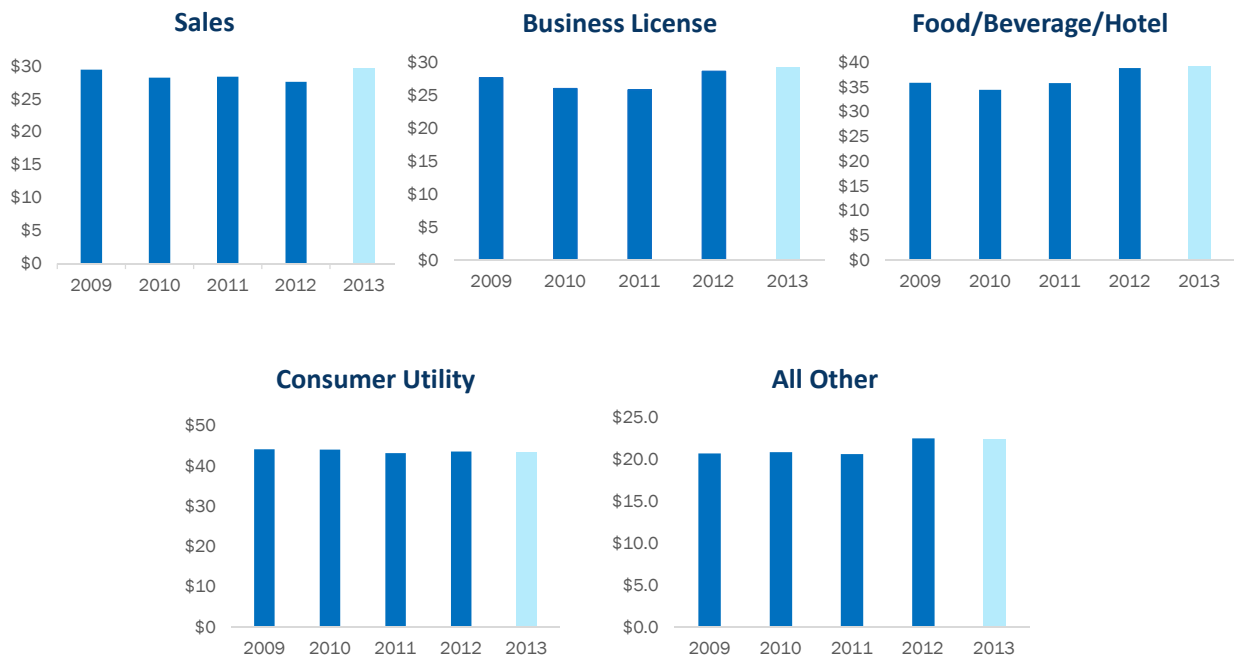


FY 2013 Preliminary General Fund Expenditure

- FY 2013 General Fund expenditure growth about 1.0 percent
- Continued to control discretionary spending of city departments
- Mid-year realignment of city departments
 - FY 2012 realignment were continued to FY 2013



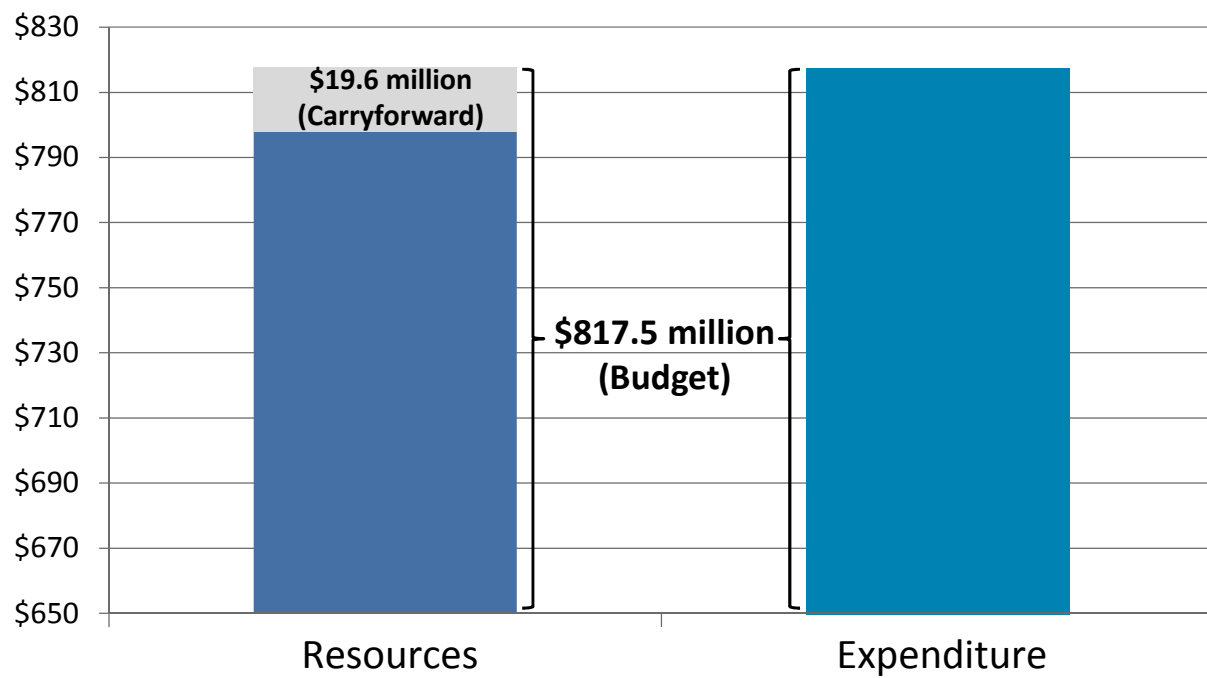
FY 2013 Preliminary Local Taxes Holding Steady or Increasing



Notes: Amounts shown in millions. Does not include Property Taxes. Adjustments to sales tax in FY 2012 made by Virginia Department of Taxation.
Sources: Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2012. FY 2013 preliminary year-end estimate.

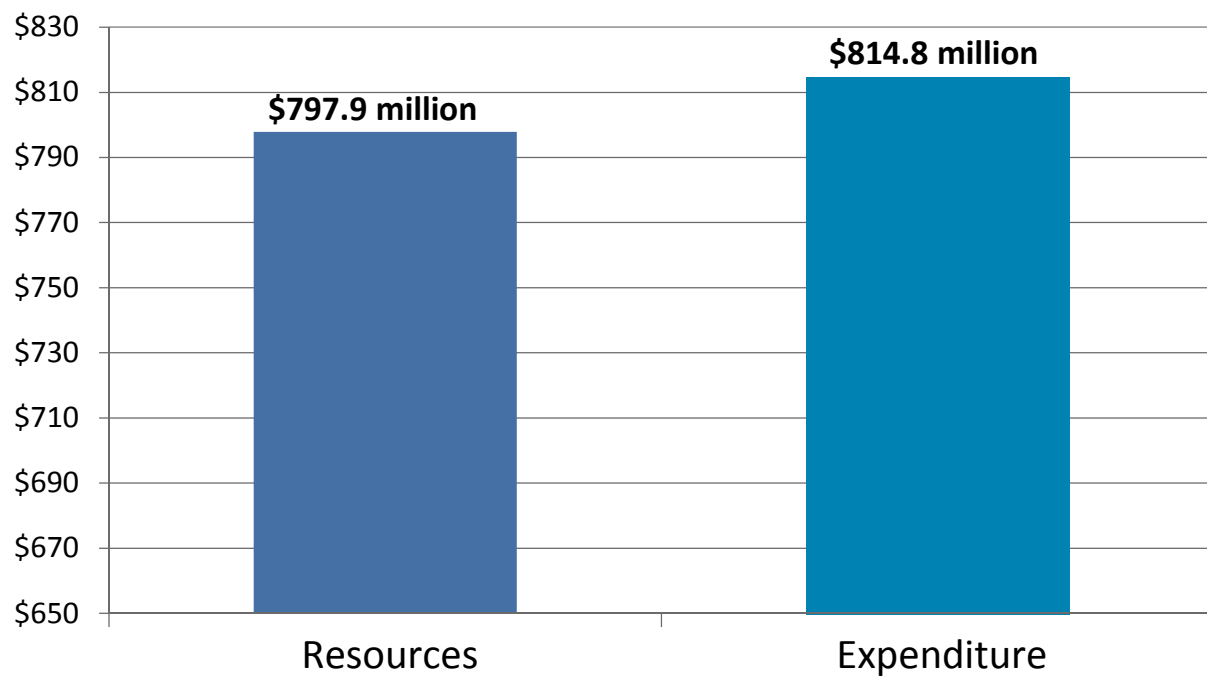
FY 2014 Challenges

General Fund FY 2014 Budget



FY 2015 Start Point

(excludes \$19.6 million carryforward and one-time expenses)

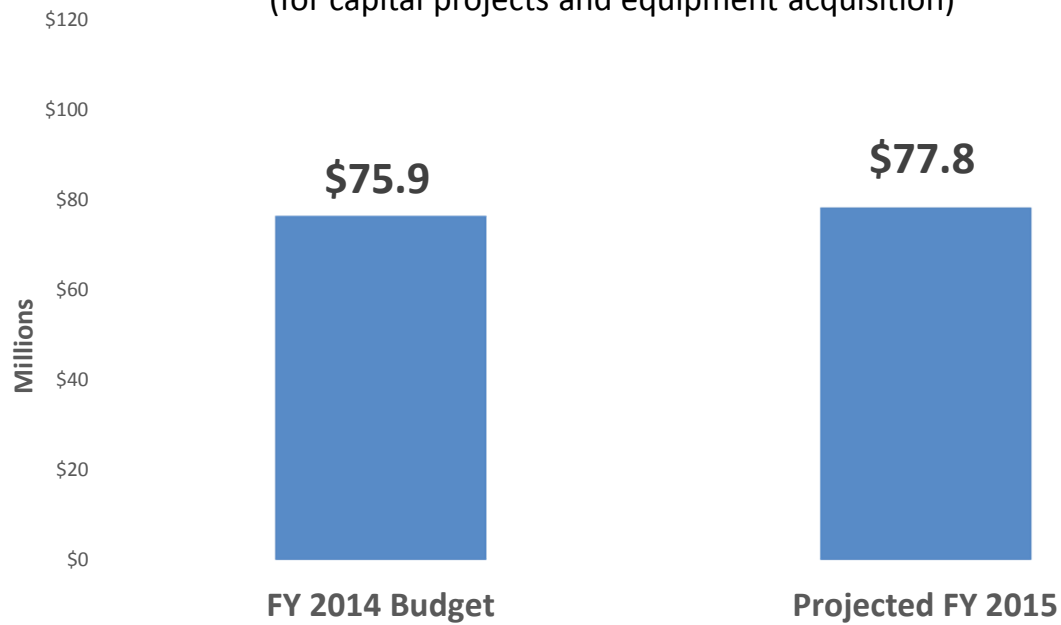


FY 2015 Challenges

- General Fund Budget Drivers
 - Debt Service: SET
 - Healthcare: FLEXIBLE
 - Retirement: SET
 - Inflation/Contractual/O&M: SET/FLEXIBLE

General Fund Debt Service

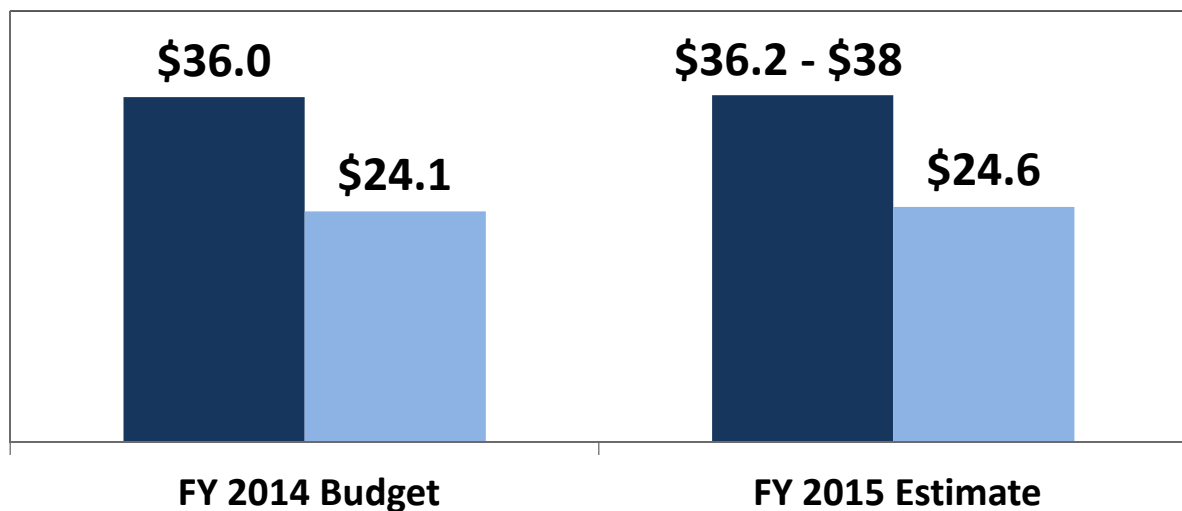
(for capital projects and equipment acquisition)



- Projection for FY 2015 exclude self-supporting Broad Creek TIF and Conference Center related debt service.
- Debt is based on existing gross debt service, including the Series 2013 new money bonds.
- All debt service numbers used are preliminary and based on market conditions as of August 26, 2013.
- Includes planned issuance of Series 2013 \$90.5 million, Series 2014 \$93.7 million, Series 2015 \$92.4 million and Series 2016 \$61.8 million

General Fund Retirement and Healthcare (in million \$)

■ City Retirement Contribution ■ City Healthcare Expense



Source: Retirement estimate of \$36.2 million for FY 2015 was taken from the actuarial 10-year projection, which was based on the June 30, 2012 payroll and was used for FY 2015 budget gap calculation. Healthcare estimate for FY 2015 reflects a two percent increase from FY 2014 budget.

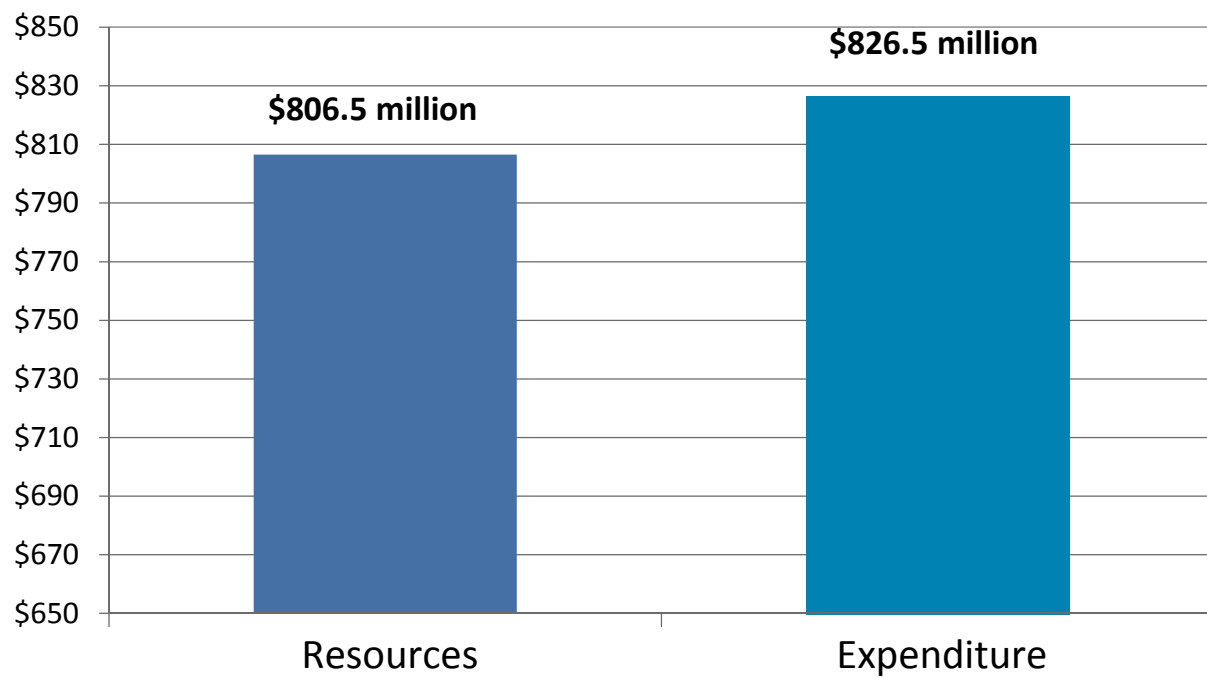
Other General Fund Budget Drivers

- Inflation/Contractual/O&M
 - FY 2015 Estimate: \$4.2 million
 - Does not include “pass through” expenditures

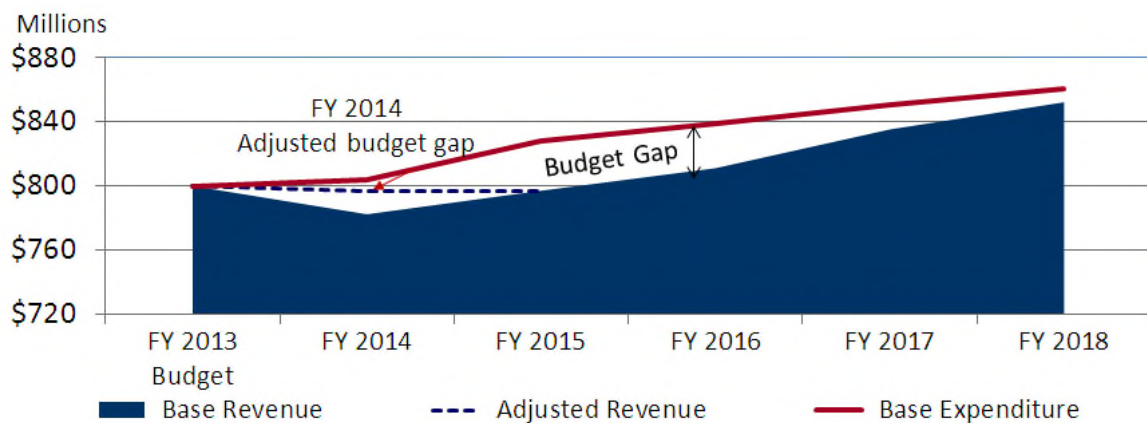
FY 2015 Challenges (continued)

- Other demands
 - Compensation
 - Norfolk Public Schools
 - Neighborhoods

FY 2015 Preliminary Gap: \$20 million



RECAP: Mid-Year Presentation of Preliminary Base Forecast of General Fund Revenue and Expenditures FY 2014 – FY 2018



- The budget gap continues in outyears due to the structural imbalance
 - Consistent drivers of the gap include healthcare, debt service, and retirement
 - Operating budget impact of new/recent developments
 - Real estate assessments not rebounding quickly as housing market slowly recovers
- Need to continue to make permanent reductions to the operating budget and curtail expenditures

Council Strategy Discussion and Direction

Infrastructure Backlog

Executive Summary

Updated from January 8, 2013 Presentation to City Council

Topic: Infrastructure Backlog

Description: Norfolk's revitalization, in conjunction with the increasing demands for services, is straining the city's financial ability to address a growing infrastructure backlog that is estimated to reach approximately \$1.4 billion in fiscal year 2014. This backlog includes buildings with an average age of 34 years, an aging fleet, streets, sidewalks, water, sewer and storm drainage systems and IT infrastructure.

Analysis:

Activity / Program	Estimated Backlog
General Fund	
Major Street Improvements	\$25 million
Bridges	\$16.8 million
Street Resurfacing	\$77.1 million
ADA Ramps	\$10 million
Traffic Signal Pole Replacement	\$7.5 million
Roof Repair Backlog	\$2.5 million
Facilities Repair ¹	\$24 million
IT Backlog	\$11.3 million
Fleet Backlog	\$28 million
General Fund Total	\$202 million
Nongeneral Funds	
Storm Water Infrastructure ²	\$750 million
Utilities	\$508 million
Nongeneral Funds Total	\$1.2 billion
Grand Total	\$1.4 billion

¹Note: Recommending a study

²Does not include coastal flooding mitigation cost estimate (\$1.7 billion)

Unlike other jurisdictions the city's facility maintenance and repair reviews are done by internal staff. As such the estimated amount for the maintenance and repair of facilities is assumed to be understated. A comprehensive review of facility maintenance by an outside consultant is recommended. An outside review will provide a long term comprehensive analysis of maintenance and repair needs in priority order.

Examples of the backlog are as follows:

Public Works

Major Street Improvements – The city receives requests from civic groups, businesses and City Council for improvements to public rights-of-way including installation of streets and sidewalks. Streets and Bridges currently have over 200 requests with a total estimated cost of **\$25 million**.

Public Works analyzed sidewalk, curb, gutter, and landscaping options for many of the streets that currently do not have public works infrastructure and estimated a total aggregate cost for improvements to be \$87.5 million.

Bridges – The city owns and maintains over 50 bridge structures of various ages and conditions. Major repair work is needed in the next few years on:

- Granby Street Bridge over Lafayette River
- North Shore Road Bridges –Algonquin and Meadowbrook (Under Design)
- Indian River Road Culvert over Pescara Creek (Under Design)
- Indian River Road Culvert over Spotico Creek (Under Design)
- Campostella Road Bridge over Elizabeth River
- Hampton Boulevard Bridge over Lafayette River
- Berkley Avenue Bridges over N&W Railroad, east and west bound
- Robin Hood Road Bridge over Water Supply Canal
- Willow Wood Drive Bridge over Lafayette
- 1st View Ave over Tidewater Drive
- Government Ave over Tidewater Drive
- West Ocean View Ave over Tidewater Drive

Construction needs for major and minor bridge reconstruction is estimated to be over **\$16.8 million**. When work is delayed costs go up for bridge repair because more cracks develop and more concrete repairs are necessary. It also increases the likelihood the bridge will be posted, limiting truck and other heavy traffic. This will increase congestion on other streets and may force traffic into neighborhoods where streets are not designed for truck traffic.

Street Resurfacing – The city has over 2,100 lane miles of streets. In FY 2014, the city will be able to fund approximately 65 miles of asphalt road resurfacing. Based on a twenty year cycle, nearly 110 asphalt lane miles should be funded each year for resurfacing. The current backlog of asphalt road resurfacing is \$38.1 million which equate to 586 lane miles and concrete road replacement is \$39 million which equates to approximately 39 lane miles for a total aggregate of **\$77.1 million**.

Storm Water Infrastructure Backlog – Needed storm water infrastructure improvements throughout the city include installation and/or replacement of storm drain conveyance piping, drainage structures, outfall upgrades, regrading of roads, curb and gutter, sidewalk, and utility adjustments with associated environmental permitting and land acquisition. The 2012 citywide Drainage

Master Plan (precipitation flooding) calculated an estimated cost of **\$750 million**.

Long term proposed coastal flooding projects designed to mitigate the impacts from coastal flooding and associated sea level rise are necessary throughout the city. Projects options include utilization of the elevated portions of Interstate 264 as a levy, installation of floodwalls and levies along portions of Harbor Park and Town Point Park, raising of roadways and installation of numerous storm water pumping stations. The projects also included various protection options for the mouth of the Lafayette River. The total aggregated costs for the projects are estimated at \$1.7 billion in 2014 dollars.

ADA Ramps – The city has improved accessibility through the installation of ADA ramps. However there are still approximately 4,100 ramps required. An additional **\$10 million** is needed to complete this goal.

Signal Pole Infrastructure Replacement – The city owns and maintains 304 signalized intersections installed over the course of many decades. Many of these signal poles are at the end of their useful life and in need of full replacement. An estimated annual cost of \$1.5 million over the next five years is needed to replace these deteriorating poles. Based on the age of the infrastructure, at least ten poles per year should be replaced.

Roof Repair – The city has over 175 buildings that it maintains. Many of these buildings are in need of roof repairs. Roof repair is a priority for the city because it prevents other escalating capital costs. The current roof repair backlog is estimated to be over **\$2.5 million**.

Utilities

The infrastructure improvement program for the Water and Wastewater Utility systems is currently being funded by gradual and predictable rate increases approved by City Council in 2004. The rate increases will meet the need to replace the most critical and failing portions of the Water and Wastewater Utility systems.

The city has made significant strides in several areas to address the infrastructure backlog. However, the city still has a utility infrastructure improvement backlog of nearly **\$508 million**.

Facility Maintenance Repair

The city provides funds for maintenance reserve to address projects that are less than \$50,000. This funding addresses the maintenance needs for the city's 214 buildings, which have an average age of 35 years. There are always ongoing projects such as replacement of tiles, carpet, and HVAC systems; plumbing repairs; and electrical system improvements.

The city's building inventory is aged; the average age of fire stations is 48 years, with the oldest station built 89 years ago. Many of the buildings can no longer meet their originally intended functions. The city struggles to provide the minimum maintenance needs of these buildings resulting in frequent breakdown of systems, ultimately reducing the quality of service provided to Norfolk residents. The current backlog of needed maintenance reserve is 199

projects with a value of **\$6.4 million**. In addition, Facility Maintenance has an **\$18 million** CIP infrastructure backlog. In order to help reduce the current backlog, funding for this program was increased by \$250,000 to \$1.25 million for FY 2013, and an additional \$200,000 for FY 2014, bringing the total to \$1,450,000.

Information Technology (IT) Backlog

The city's IT backlog is approximately \$11.3 million. This includes city computers, other software, servers, radios and various IT infrastructures.

Type of Backlog	FY 2014 Backlog
End Point (PC)	\$3,185,639
Other Infrastructure	\$3,431,348
Software Applications	\$4,673,448
Total	\$11,290,435

Maintaining up to date technology for communication and data access for our citizens, businesses and employees is a critical component of a well-managed government. Addressing the backlog ensures continuity of service for emergency and non-emergency needs and limits the continued use of systems that are no longer supported by vendors.

Fleet Maintenance

The city's fleet inventory consists of 2,131 vehicles and equipment (i.e. trailers, backhoes, boats, loaders) with an average age of 11 years. The current estimated backlog is **\$28 million**. In recent years, the city has used innovative methods such as lease financing to address issues related to heavy equipment in the departments of Fire-Rescue and Public Works' Waste Management where a single piece of equipment can cost over \$400,000. Fleet implemented a new Fleet Coordinator program as a tool to keep departments informed on their vehicles and equipment and all other updates in Fleet that affect them. Fleet management works closely with high volume customers (i.e. Police, Fire-Rescue, Public Work) to ensure their needs are met, or exceeded, to accomplish their service to the City of Norfolk. In FY 2013 Fleet began a physical assessment of all city vehicles and equipment that an updated photo and accurately updating mileage/hours used in the Faster database. This is part of the division's efforts to ensure accuracy in the system.

Recommendation(s):

The FY 2014 approved Budget continues funding for infrastructure in the Capital Improvement Plan to address facilities, streets, sidewalks, water, sewer and storm drainage systems; but it is still not enough to keep up with that actual needs. It is, however, a major step in being proactive about maintaining the current infrastructure. It is recommended that the city conduct a comprehensive facility maintenance review provided by an outside consultant.

City of Norfolk Infrastructure and Maintenance Needs

City Council Retreat
September 23-24, 2013

Overview

- This presentation has been updated since the January 8, 2013 presentation given to City Council
- At that time City Council that administration develop a plan to address the growing infrastructure and maintenance needs
 - Increased the FY 2014 special repair project (5204) budget by \$200,000
 - Included facility maintenance project in FY 2014 CIP: \$1.0 million
- However, this funding is not sufficient to address the full backlog of facilities maintenance needs
- A comprehensive review of facility maintenance by an outside consultant is recommended; which will provide a prioritized long term plan for maintenance and repair

Purpose

- The intent of this section is to provide to Council an understanding of the vast array and cost of infrastructure maintenance and repair needs throughout the city
- Through a series of general fund operating, General Fund capital, and nongeneral funds fees and charges the city has provided significant funding for infrastructure and maintenance needs
- However, a long-term strategy should be implemented systemwide to ensure the city is appropriately addressing long-term needs



The set of interconnected elements that provide framework supporting an entire structure of development.

Maintenance and repair is funded through various measures

Operating budget

Capital Improvement Program

General Fund

Funded mainly through taxes

- Maintenance and Repair:
 - 159 municipal buildings comprising over two million square feet with an average of 35 years in service.
 - 149 athletic fields
 - Over 2,000 lane miles of roadway

Nongeneral Funds

Funded mainly through user fees

- Maintenance and Repair:
 - Storm Water system
 - Wastewater system
 - Water System
 - Parking structures

General Fund Supported Infrastructure

Transportation Network

Buildings

Fleet

Technology

Transportation Network: Street Resurfacing

- In order to stay on the 20 year cycle for resurfacing asphalt roads, we need to resurface 110 lane miles annually
 - Current funding provides for 65 lane miles annually
- Strategy in place; additional funding necessary to remain on 20 year cycle



Every asphalt street has been paved over the past 20 years

Transportation Network: Bridges

- The city currently has no bridges that have restrictions due to their structural condition
- 50 bridges and bridge structures are maintained by the city
- Funding
 - FY 2014 CIP funding for bridge repair and maintenance (minor and major)
 - \$1.25 million
- Strategy in place; additional review of preventative repair funding necessary

Transportation Network: Curbs and Sidewalks

- 1,225 miles of curbs and sidewalks
- FY 2014 CIP provided \$500,000 for repairs
- No defined long-term strategy in place



Transportation Network: Discussion

- The city's transportation infrastructure consists of an interconnected network of streets, bridges, sidewalks, intersections, and signage
- The maintenance and repair of these elements should dovetail with one another
- While strategies exist, the city does not have a all inclusive plan to address aging infrastructure
- A transportation infrastructure maintenance program should be considered

Transportation Network: Strategy Discussion

- Establish a dedicated revenue stream:
 - Identify a percentage increase of General Fund revenue
 - Identify a dollar increase of General Fund revenue
 - Consider escalating the dedicated amount for inflation or other market conditions

Buildings: Maintenance

- Currently \$1.50 per square foot per year is spent to maintain buildings
- International Facility Manager's Association maintenance benchmark is \$2.21 per square foot per year
- Low funding results in higher repair and capital costs in the future

Buildings: Repair

- Norfolk spends \$0.50 per square foot per year on repair projects
- International Facility Manager's Association data indicates that most cities spend \$1.79 per square foot per year on repair projects for buildings in the mid Atlantic region with comparable age

Buildings: Challenges

- Aging infrastructure and buildings
- Growing inventory of vacant buildings
- New buildings coming on-line

Additional ANNUAL Funding Needed to Meet the Standard	
Building Maintenance ¹ <small>(FY 2014 funding is 32% below standard)</small>	\$1.7 million
Repair Projects ² <small>(FY 2014 funding is 66% below standard)</small>	\$2.8 million

1. International Facility Manager's Association (IFMA) **maintenance** standard is \$2.21/SF per year (Norfolk \$1.50/SF per year)

2. IFMA **repair project** (Mid-Atlantic Region) benchmark standard is \$1.79/SF per year (Norfolk \$0.61/SF per year)

Buildings: Strategy Discussion

- The city's public facilities include 153 buildings for over two million in square footage with an average age of 35 years
- Maintenance and repair costs increase as the buildings get older
- While strategies exist, the city does not have an all inclusive plan to address aging infrastructure
- A comprehensive plan should be developed keeping in mind the new and replacement facilities planned in the Capital Improvement Program

Fleet: Challenges

- Average age of vehicles and equipment is 11 years
 - industry benchmark is 6 – 7 years
- Older / heavily utilized (high mileage) vehicles and equipment
 - Take longer to repair
 - Parts are more difficult to obtain
 - Parts are more expensive
- Many components for older equipment are no longer available, making some units unable to be repaired

Fleet: Strategy Discussion

- Maintenance and repair costs increase as the vehicles age
- While strategies exist, the city does not have a all inclusive plan to address aging infrastructure
- A comprehensive plan should be developed for the timely replacement of vehicles
- Energy and fuel saving technologies should also be included in the plan

Information Technology

- Computers used by city staff (which include desktops, laptops and other mobile devices) should be replaced or upgraded every four to five years
 - Many city computers are more than eight years old and the average age exceeds five years
 - No upgrades or replacements were funded from FY 2009 through FY 2011 resulting in an estimated backlog of \$6.7 million
 - Many systems today are using software that is eight to ten years old and limited investments between FY 2009 to FY 2011 has created an estimated backlog of \$4.5 million

Information Technology: Strategy Discussion

- Technology infrastructure should be maintained and updated based on a realistic and established schedule
- While strategies exist, the city does not have an all inclusive plan to address aging equipment, software applications, mobile devices, or information storage
- A comprehensive plan should be developed that includes replacement strategies and the purchase of new technology

Nongeneral Fund Supported Activities

Storm Water Management
Wastewater Utility
Water Utility
Parking

Nongeneral Fund Activity: Strategy Discussion

- Storm Water: strategy in place
- Wastewater Utility: strategy in place
- Water: strategy in place
- Parking: strategy in development

Council Strategy Discussion and Direction

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Compensation

Executive Summary

Topic:	Compensation – Strategy Discussion
Description:	The presentation examines the past, present, and future of compensation. It also provides an update on the FY 2014 comprehensive compensation review and preliminary cost estimates.
Analysis:	<p><u>Current Challenges</u></p> <p>The current compensation landscape faces the following challenges: no pay increases between FY 2009 and FY 2012; a rigid step system that limits flexibility and is based on longevity rather than merit; increasing benefit costs; compression; and difficulty attracting qualified candidates and retaining employees.</p> <p><u>Results of Compensation Review</u></p> <p>There are 71 out of 254 job classifications that are more than six percent below the regional market. Norfolk is also the only locality to use the step system for general employees.</p> <p><u>Results of Compensation Conversations</u></p> <p>The city held nine compensation conversations with employees. A majority of general employees favored eliminating steps and a majority of sworn employees favored maintaining steps.</p>
Financial Impact:	To begin to address the current compensation challenges, preliminary cost estimates include \$6.3 million in FY 2015 and FY 2016. The \$6.4 million does not include a consideration for general pay increases for employees estimated at \$2 million for each percent.
Recommendation(s):	<p>The following actions may be considered in FY 2015, FY 2016, and beyond:</p> <ol style="list-style-type: none">1) Eliminate steps for general employees in favor of an open range system2) Maintain steps for sworn officers3) Implement a Five and Five conversion4) Adjust for positions underpaid in regional market5) Implement Deferred Retirement Option Program for sworn officers6) Implement Voluntary Retirement Incentive Program for general employees7) Make additional adjustments to address compression8) Adjust for a living wage enhancement9) Establish a consistent strategy for salary increases

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BUILDING
THE FUTURE



BUILDING
A WELL-MANAGED
GOVERNMENT

Compensation

Strategy Discussion

Purpose of the Strategy Discussion

- Examine the past, present and future of compensation
- Provide update on the FY 2014 Comprehensive Compensation Review
- Provide City Council with preliminary cost estimates
- Foster Council strategy discussion/direction

Compensation: Past

Compensation Background

- City Manager's FY 2014 Budget message announced a comprehensive review of compensation
- Outreach to employees
 - Nine employee meetings
 - Written communications
- Presentation to City Council
- Internal review of salaries versus the regional market



Challenges of Current Compensation Landscape

- No pay increases between FY 2009 and FY 2012
- Rigid step system which limits flexibility and is based primarily on longevity rather than merit
- Increasing benefit costs
- Compression
- Attracting qualified candidates
- Retaining employees

Results of Compensation Conversations

- Regional market study of job classifications
 - 71 out of 254 job classifications are more than six percent below market
- Comparison of regional pay structures
 - Norfolk is the only locality to use the step system for general employees
- Nine compensation conversations with Norfolk employees
 - Majority of general employees favored eliminating steps
 - Majority of sworn employees favored maintaining steps

Requests from Police and Fire Representatives

Norfolk Police Department

- Change pay scale to Step + (percent based on job)
- Deferred Retirement Option Program (DROP)
- Alleviate compression

Fire-Rescue

- Convert supplements to steps
- Five and Five conversion
- DROP
- Award lost step(s) to alleviate compression

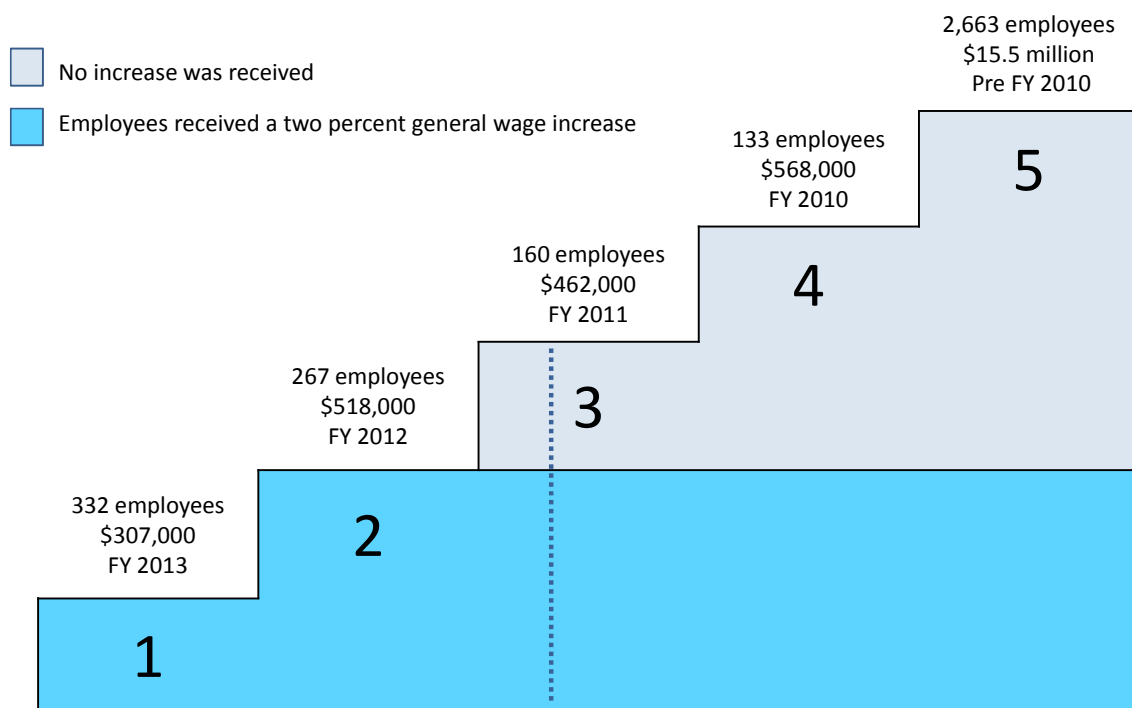
Compensation: Present

Simplifying the Compensation Challenge

- Retroactive steps decrease compression (FY 2010-FY 2014)
- Adjustment of salaries that are out of market allows the city to be more competitive regionally

Total General Fund Cost of the Compensation Problem	
Description	General Fund Cost
Eligible steps for general employees	\$7.1 million
Eligible steps for sworn employees	\$7.6 million
Market adjustments for all employees in range	\$1.7 million
Adjust for egregious compression issues	\$500,000
Total	\$16.9 million

Simplifying the Compensation Challenge (cont.)



Employees hired prior to 10/2010 do not contribute to retirement

Preliminary Considerations (in sequential order)

1. Eliminate steps for general employees in favor of an open range system
2. Maintain steps for sworn officers
3. Implement Five and Five conversion FY 2015
4. Adjust for positions underpaid in regional market
5. Deferred Retirement Option Program (DROP) for sworn
6. Voluntary Retirement Incentive Program (VRIP) for general
7. Make additional adjustments to address compression
8. Adjust for living wage enhancement FY 2016
and beyond
9. Establish a consistent strategy for salary increases

Considerations One and Two: Revise Step Structure

- Majority of general employees indicated: **Eliminate steps but provide consistent funding**
 - The step system benefits lower performers
 - The step system does not motivate employees
- Majority of sworn employees indicated: **Maintain steps and provide consistent funding**
 - The step system allows for future financial planning
 - Is a commitment from the city that leads to a secure pension

Consideration Three: Five and Five Conversion

- Purpose:
 - Adjust employees for equitable retirement contributions
 - Alleviate compression
 - Improve city salaries compared to regional market

- Estimated FY 2015 Cost:

Estimated FY 2014 Cost of Five and Five Conversion			
Description	General Fund	Nongeneral Funds	Total
General Employees	\$277,000	\$152,000	\$429,000
Sworn Employees	\$69,000	\$0	\$69,000
Total Cost	\$346,000	\$152,000	\$498,000

- Estimated FY 2016 General Fund Retirement Cost: \$1.4 million

Consideration Four: Adjust To Market

Adjusts the salary range of all positions which are more than six percent below the regional market average

- Purpose:
 - Recruit and retain qualified employees
 - Improve city salaries compared to regional market
- Estimated FY 2015 Cost:

Estimated FY 2015 Cost of Market Adjustments			
Description	General Fund	Nongeneral Funds	City Total
Cost	\$723,000	\$545,000	\$1,268,000

Consideration Five: DROP for Sworn Officers

Retirement eligible sworn officers receive 70 percent of their pension in an account for up to three years (payable at retirement)

- Purpose
 - Employer of Choice Initiative
 - Strategic planning
- Estimated FY 2015 and Retirement System Costs:

DROP Cost and Information	
Description	Total
Estimated FY 2015 General Fund Cost	\$0
Actuary estimated FY 2016 retirement system cost	\$783,700

Consideration Six: VRIP for General Employees

Provide \$10,000 incentive offered to retirement eligible employees

- Purpose:
 - Employer of Choice Initiative
 - Opportunity for organizational restructuring
- Estimated FY 2015 and Retirement System Costs:

2014 VRIP Costs and Information	
Description	Total
Estimated program participants	102 employees
Estimated FY 2015 General Fund Impact	\$0 ¹
Estimated FY 2016 Retirement Contribution Cost	\$474,700

¹A VRIP may provide savings depending on the elimination of positions and the cost of replacement employees

Summary of FY 2015 Considerations (General Fund only)

\$346,000 Five and Five conversion

\$723,000 Adjustment for positions more
than six percent out of market

\$0 DROP for sworn officers

\$0¹ VRIP for general employees

\$1,069,000 Total General Fund Cost

¹A VRIP may provide savings depending on the elimination of positions and the cost of replacement employees

Summary of FY 2015 Considerations (All Funds)

\$498,000 Five and Five conversion

\$1,268,000 Adjustment for positions more
than six percent out of market

\$0 DROP for sworn officers

\$0¹ VRIP for general employees

\$1,766,000 Total Cost

¹A VRIP may provide savings depending on the elimination of positions and the cost of replacement employees

Compensation: Future Considerations

Consideration Seven: Make Additional Adjustments to Alleviate Compression

General employees hired prior to 07/01/2011 receive one, two, or three percent increases depending on years of service

- Purpose:

- Helps alleviate compression

		1,480 employees \$2.06 million
	74 employees \$67,000	3%
152 employees \$65,000	2%	
1%		

- Estimated FY 2016 Cost:

Estimated FY 2016 Cost of 1,2,3 Percent Increase for General Employees			
Description	General Fund	Nongeneral Funds	City Total
Cost	\$1,395,000	\$796,000	\$2,191,000

Consideration Seven (continued): Make Additional Adjustments to Alleviate Compression

Award Sworn Officers hired prior to 07/01/2011 one step

- Purpose:
 - Helps alleviate compression

Estimated FY 2016 Cost:

Estimated FY 2016 Cost of Step Increase for Sworn Officers	
Description	General Fund Cost
Sworn Police	\$980,100
Sworn Fire/Rescue	\$455,900
All Sworn Officers	\$1,436,000

Consideration Eight: Living Wage Enhancement

All permanent employees will earn a minimum of \$23,550 which is the federally defined living wage

- Purpose:
 - Employer of Choice Initiative
- Estimated FY 2016 Cost:

Description	General Fund	Nongeneral Funds	City Total
Cost	\$67,700	\$20,300	\$88,000

2015 and 2016 Considerations: General Fund Financial Impact

General Fund Impact of Potential Initiatives FY 2015-FY 2016			
Program Description	FY 2015	FY 2016 Additional Costs	FY 2016 Retirement Costs
3: Five and Five Conversion	\$346,000 ¹	\$0	\$1.4 million ²
4: Adjust salaries to regional market	\$723,000 ¹	\$0	\$0
5: DROP	\$0	\$0	\$600,000 ²
6: VRIP	\$0 ³	\$0	\$350,000 ²
7: Step Increase for Sworn Officers	\$0	\$2.8 million ¹	\$0
8: Living Wage Enhancement	\$0	\$68,000 ¹	\$0
Total	\$1.1 million	\$2.9 million	\$2.4 million
		Total: \$5.3 million	

¹Base salary and benefit impact which will continue to occur in future years

²Actuary estimated retirement contribution increase. Number displayed is the estimated General Fund impact

³A VRIP may provide savings depending on the elimination of positions and the cost of replacement employees

Consideration Nine: Establish a Consistent Strategy for Salary Increases

- Proposed compensation considerations are designed to address compression and adjust salaries to the regional market
- Not funding ongoing compensation still leaves some employees without an increase
 - Based on the considerations presented, most employees hired after July 1, 2011 do not receive an increase
- General Fund cost of compensation increase for all employees

Estimated General Fund Cost of Compensation Increase			
Description	1% Increase	2% Increase	3% Increase
Cost	\$2 million	\$4 million	\$6 million

Additional Compensation Considerations

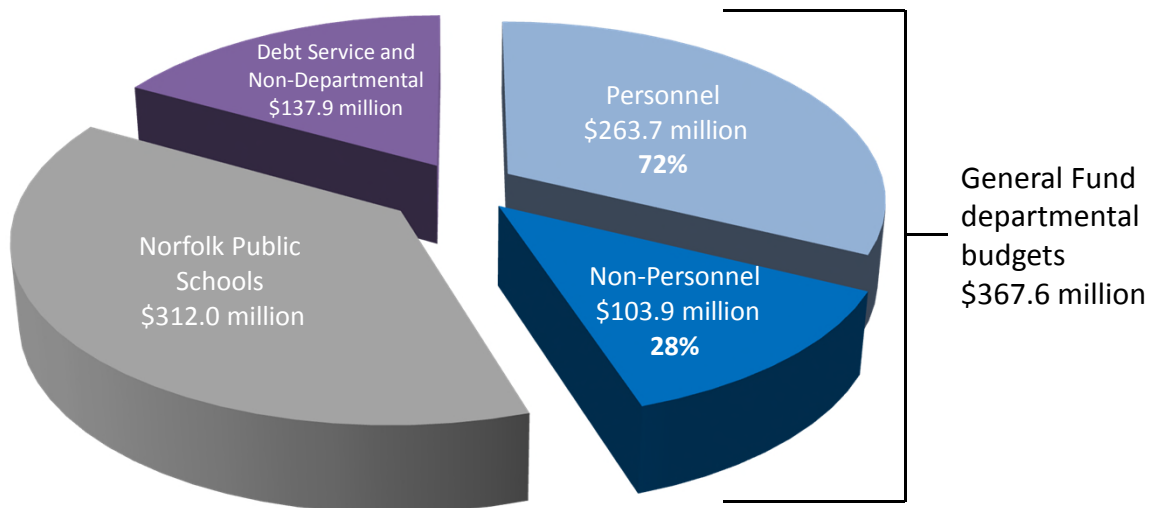
- Building compensation increases into the base budget
 - Compensation increases factored into future budgets as a set cost would be similar to how healthcare, retirement, and debt are handled.
 - A one percent General Fund increase equals approximately \$2 million
- Performance based compensation for all employees
- Annual or bi-annual funds for:
 - Vertical compression
 - Horizontal compression
 - Market adjustments

Council Strategy Discussion and Direction

Appendix

Personnel costs make up almost three quarters of departmental budgets

Total FY 2014 General Fund Budget = \$817,500,799

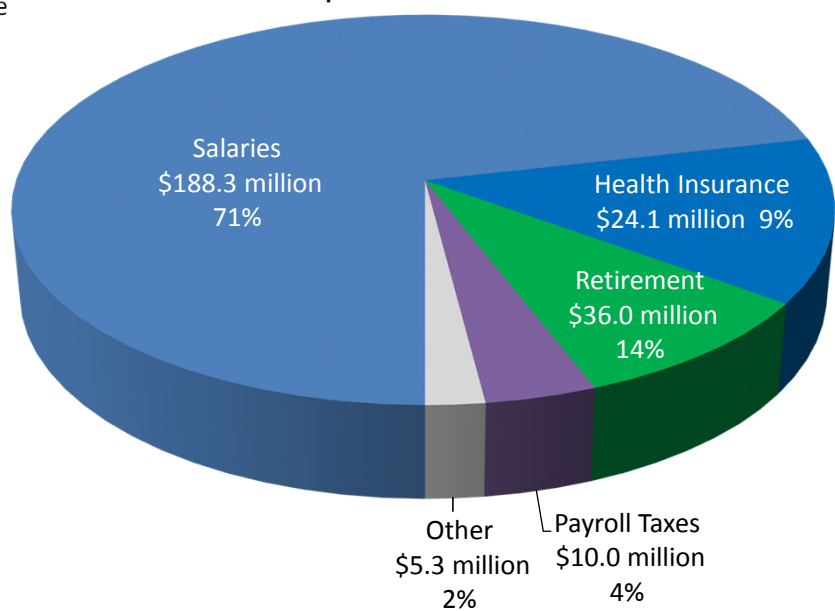


Source: City of Norfolk Approved FY 2014 Budget

What is included in the personnel budget of \$263.7 million?

**FY 2014 General Fund Personnel Budget
=\$263.7 million**

- Salaries (including overtime and special pay)
- City Retirement
- Health Insurance
- Employer Payroll Taxes (FICA, Medicare)
- Other (VRS, Group Life)

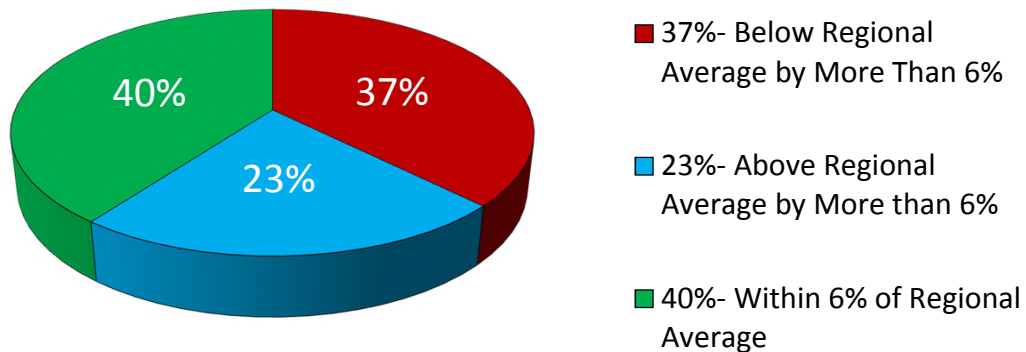


Source: City of Norfolk Approved FY 2014 Budget

How do the city's salaries compare to the region?

- The Department of Human Resources annually compares Norfolk's Compensation Plan with other Hampton Roads cities

**FY 2013 Comparison of the
Minimum Salary for 254 Job Classifications**



How have general employee salaries increased over the years?

FY	1997	1998	1999	2000	2001	2002	2003	2004	2005
GW	2.0%	0.0%	2.0%	3.0%	2.5%	4.0% ¹	3.0%	1.5%	1.5%
STEP	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	0.0%	2.5%	2.5%
Total	4.5%	2.5%	4.5%	5.5%	5.0%	6.5%	3.0%	4.0%	4.0%

FY	2006	2007	2008	2009	2010	2011	2012	2013	2014
GW	1.5%	2.0%	2.0%	1.0%	0.0%	0.0%	0.0%	2.0%	2.0%
STEP	2.5%	2.5%	2.5%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	4.0%	4.5%	4.5%	3.5%	0.0%	0.0%	0.0%	2.0%	2.0%

► **Classified employees received a salary increase of:**

- 26 percent between FY 1999 and FY 2004
- 22 percent between FY 2004 and FY 2009
- 4 percent between FY 2009 and FY 2014

¹ Four percent was the average increase for general employees from a compensation study

How have Norfolk's salary increases compared to the region?

City	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Norfolk	3.5%	0.0%	0.0%	0.0%¹	2.0%	2.0%
Chesapeake	3.0%	0.0%	1.5%	1.5%	0.0%	1.6%
Hampton	2.8%	0.0%	0.0%	0.0% ¹	0.0% ²	1.0% + ²
Newport News	2.0%	0.0%	0.0% ¹	2.0%	1.5%	2.0%
Portsmouth	3.0%	0.0%	0.0%	0.0% ³	0.0% ³	0.0% ³
Suffolk	3.0%	0.0%	2.0% ³	0.0%	2.0%	0.0%
Virginia Beach	2.5%	0.0%	0.0%	2.5%	1% ⁴	1.66% ⁵

¹\$500 one-time bonus

²Up to \$1,000 pay for performance bonus

³Percent adjustment awarded in form of one-time 3% bonus

⁴FY 2013 included 1% for all employees, with retirement non-contributors using their increase to offset VRS costs.

⁵FY 2014 includes a salary increase effective October 1, 2013

Note: Compensation increases offset by increased contribution requirements to VRS, general adjustments due to salary studies and actions to relieve compression are not included

What is the Step System?

- Pay structure which bases compensation on longevity
- At regular intervals, employees move up one step within their respective ranges
- Step-based pay system has been the compensation structure in Norfolk since at least 1958
- The common alternative to the step system is an Open Range System

What does compression mean?

- Compression is a salary inequity problem which typically occurs when an employee with less years of service makes the same or more than an employee with more years of service

Example of Compression			
Description	Hire Date	Experience	Salary
Police Officer A	07/01/2010	3 years	\$40,981
Police Officer B	06/01/2013	0 years	\$40,981

What do other Hampton Roads cities use as a pay structure?

- ▶ Norfolk is only Hampton Roads city to use a Step System for general employees

Locality	General Employees	Sworn Officers
Chesapeake	Open Range	Step System
Hampton	Open Range	Open Range
Newport News	Open Range	Open Range
<u>Norfolk</u>	<u>Step System¹</u>	<u>Step System</u>
Portsmouth	Open Range	Step System
Suffolk	Open Range	Step System
Virginia Beach	Open Range	Open Range

¹Open Range is used for Council Appointees, Senior Management, Executives, and Law pay grades

Types of Pay Adjustments

- General Wage Increase (GWI)
- Step Increase
- Merit/Pay for Performance
- Employee Bonus
- Salary Range Adjustment
- Administrative Adjustment



What is a Deferred Retirement Option Program (DROP)?

- A DROP is designed to encourage employees to remain in the workforce beyond their earliest retirement date
- Once an employee achieves full retirement benefit eligibility:
 - May voluntarily enter DROP for up to three years
 - Employee stops earning and paying retirement contributions
 - Retirement benefits begin and are credited each year in a separate account
 - The account is paid when the employee retires
- Being considered for Sworn personnel only
- Actuarial analysis is needed to determine the effect on NERS

Should a Voluntary Retirement Incentive Program (VRIP) be offered?

- A VRIP encourages employees to retire by offering a payout incentive
- Only employees eligible for normal retirement may participate
- 148 of 658 eligible employees elected to participate in the 2011 VRIP
 - Program provided approximately \$1.6 million in General Fund savings in FY 2012
 - Actuarial impact was estimated at \$7.8 million amortized over 20 years

What is Five and Five Conversion?

- Employees hired after October 2010 contribute five percent
- Approximately 3,400 Employees hired before October 2010 do not contribute to NERS
- A conversion requires all employees to begin contributing five percent
- A comparable five percent salary increase is provided
 - Compensation increase equivalent to two steps and increase top annual salary for pension benefit
- All VRS employees are required to contribute five percent

What are the goals of the FY 2014 review of compensation?

- Compensation study to review salaries
- Consider implementing additional retirement programs (Five and Five, DROP, VRIP)
- Consider scenarios to alleviate compression
- Determine if the step system is appropriate
- Review of compensation for lowest paid employees
- Review the long-term sustainability of the current defined benefit pension structure
- Simplify the format of the current compensation plan

Norfolk Public Schools

Executive Summary

Topic:	Norfolk's Commitment to Excellence in Education
Description:	<p>The presentation provides an overview of school funding (state, federal and local), school construction, and preliminary academic ratings</p> <p>NPS FY 2014 Support</p> <ul style="list-style-type: none">• Norfolk Public Schools (NPS) FY 2014 Total Support is \$378.1 million• NPS FY 2014 Operating Budget is \$312.0 million and is 38.2 percent of the city's FY 2014 General Fund Budget• City of Norfolk's FY 2014 local operating support is \$115.2 million inclusive of the \$3.3 million for the Construction, Technology, and Infrastructure Program <p>Regional Comparisons of Hampton Roads cities</p> <ul style="list-style-type: none">• NPS has the third highest percentage increase in local operating support from FY 2013 to FY 2014 and the highest from FY 2008 to FY 2014
Analysis:	<p>School Capital</p> <ul style="list-style-type: none">• The Approved FY 2014 Five-Year Capital Improvement Plan (CIP) includes \$121.5 million for school related projects• The Five-Year Plan completes the five school commitment, funds Camp Allen Elementary (20 percent-city, 80 percent-federal reimbursement), continues major maintenance funding, funds school athletics support facilities at Lake Taylor High and Booker T. Washington High, and provides \$300,000 to support the planning of a new Governor's school
Financial Impact:	<ul style="list-style-type: none">• The city is committed to supporting schools• While the school division has experienced state revenue reductions, the city has generally maintained or increased its funding support• The city strives to address NPS infrastructure needs, but is limited by the city's debt burden
Recommendation(s):	Continue to examine funding strategies for schools

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Norfolk's Commitment to Excellence in Education

**City Council Retreat
September 23-24, 2013**

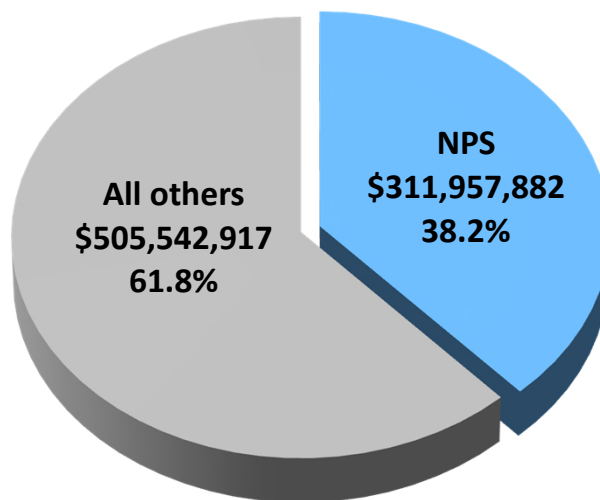
Purpose of the Presentation

- The purpose of this presentation is to provide an overview of the following
 - School Funding
 - State, federal and local
 - School Capital
 - Academics
- No action is required from Council at this time

NPS Funding Support

NPS is more than 1/3 of the city's General Fund budget

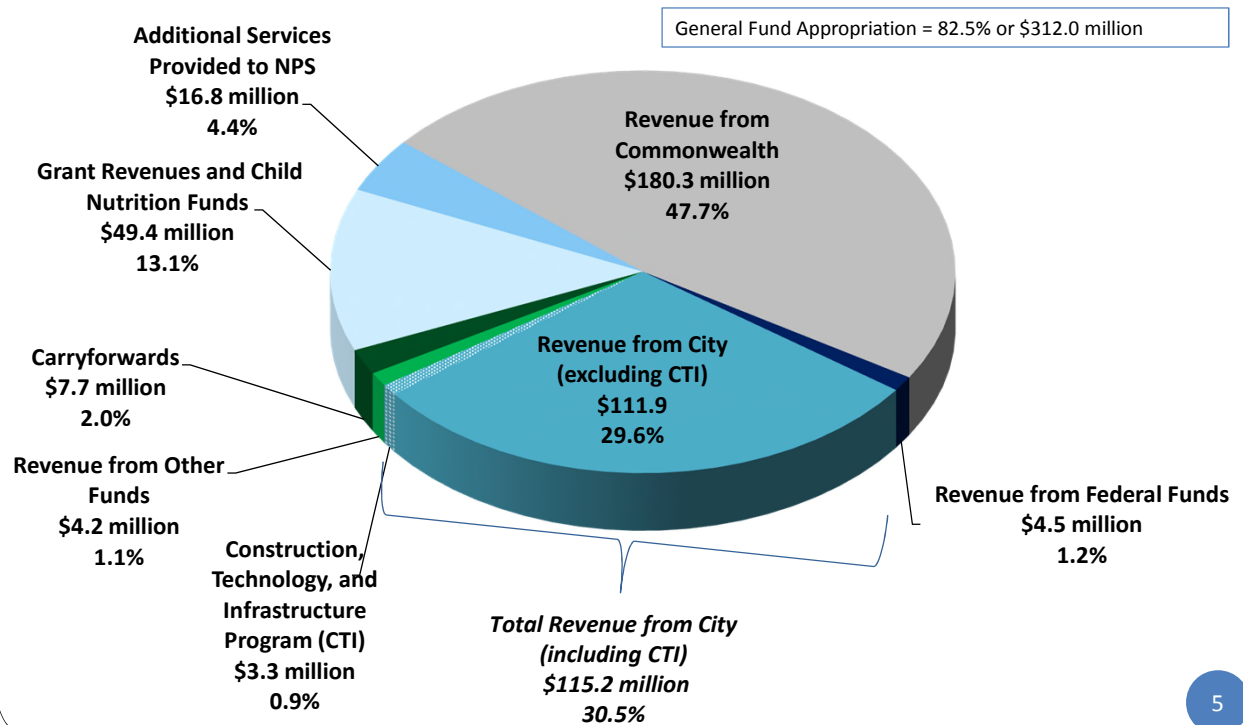
Total FY 2014 General Fund Budget = \$817.5 million



The schools amount does not include the additional services provided to NPS valued at \$16.8 million or Grant Revenues and Child Nutrition Funds valued at \$49.4 million

NPS Total FY 2014 Support

NPS FY 2014 Total Support = \$378.1 million

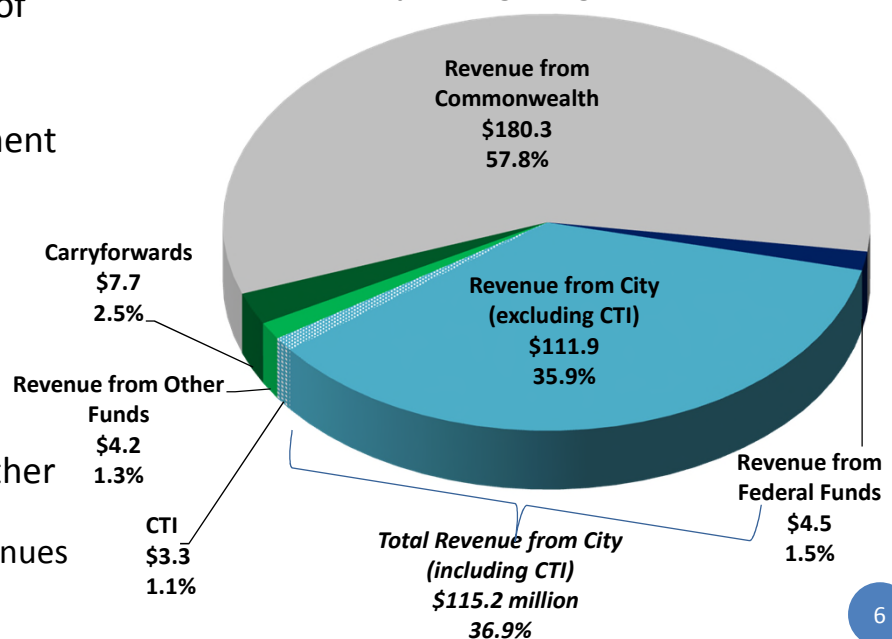


Source: City of Norfolk Approved FY 2014 Budget

City support is almost 37 percent of NPS' overall FY 2014 Operating Budget

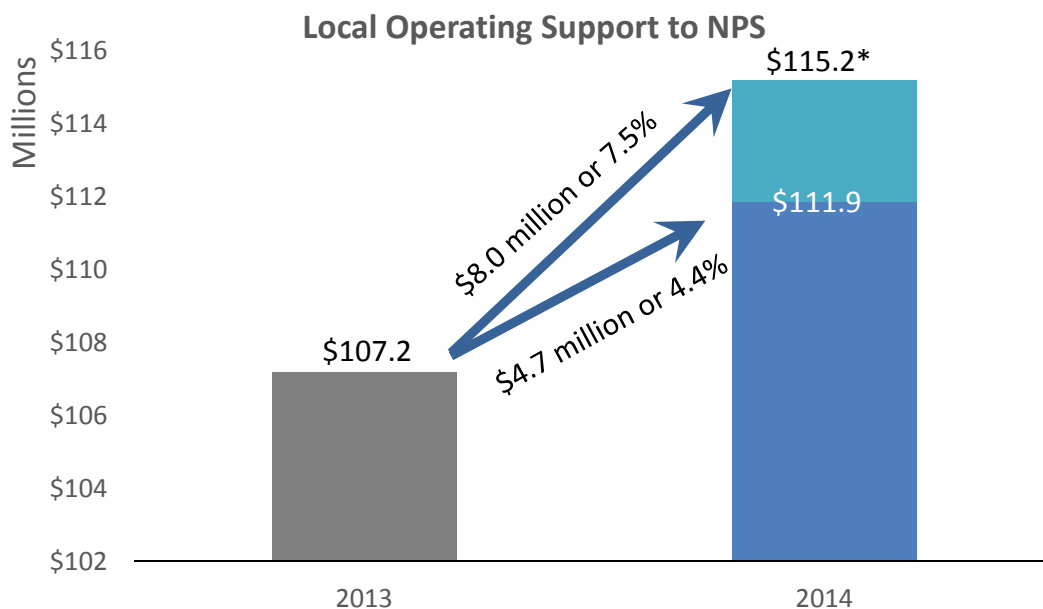
- Commonwealth of Virginia
- Federal Government
- City of Norfolk
 - CTI
- Carryforwards
- Revenue from Other Funds
 - Local Fees/Revenues

NPS FY 2014 Operating Budget = \$312.0 million



Source: City of Norfolk Approved FY 2014 Budget

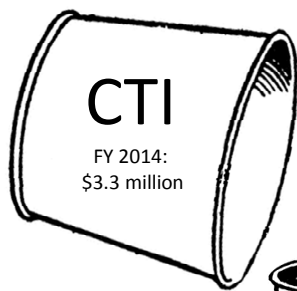
The city's total contribution increased by \$8.0 million in FY 2014



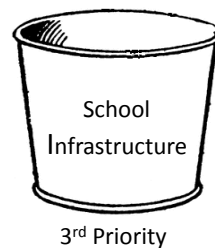
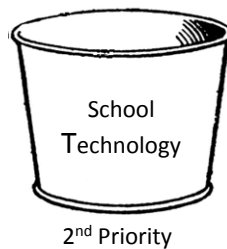
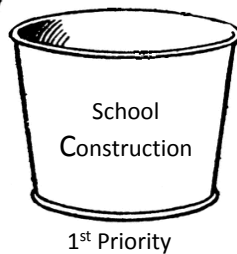
*includes \$3.3 million for the Construction, Technology, and Infrastructure (CTI) Program

Source: City of Norfolk Approved FY 2014 Budget

Two-cents dedicated to the Construction, Technology, and Infrastructure (CTI) program



- Dedicated revenue source for CTI from two-cent real estate tax increase
 - Lockbox: \$3.3 million annually
 - Potential to increase overtime



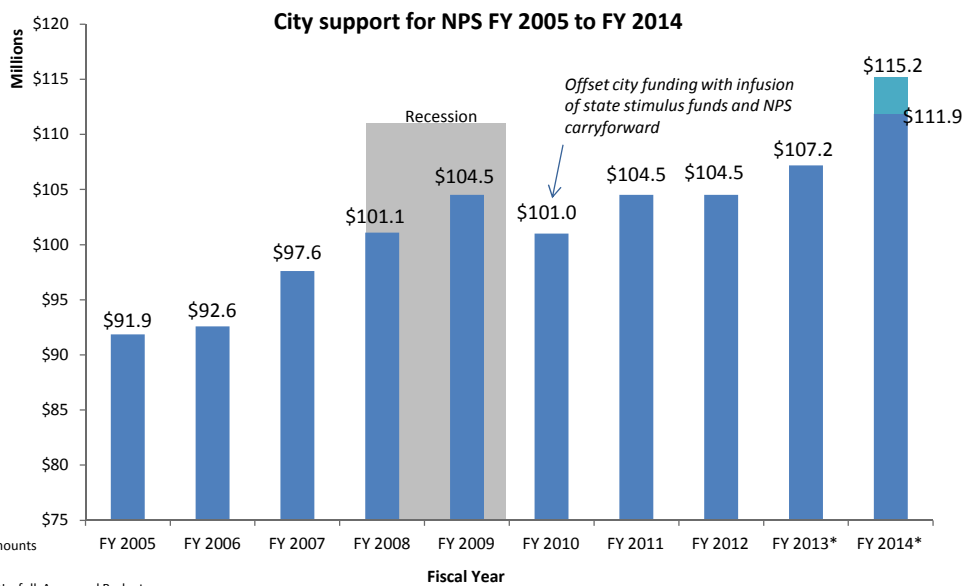
Additional support for NPS that is not included in the \$115.2 million provided by the city

Additional City Support for NPS		
	FY 2013 Approved	FY 2014 Approved
Ongoing School Maintenance	\$3,000,000	\$3,000,000
Debt Service for School Construction and School Buses	\$9,300,000	\$9,927,106
School Resource Officers	\$721,584	\$733,093
School Crossing Guards	\$570,002	\$550,063
School Nurses (Norfolk Public Health)	\$670,000	\$467,299
Facility Maintenance	\$1,266,200	\$1,300,000
Grounds Maintenance	\$698,800	\$690,000
Total City Support	\$16,226,586	\$16,760,267

Source: City of Norfolk Approved FY 2014 Budget

Even during the Great Recession city support for NPS did not wane

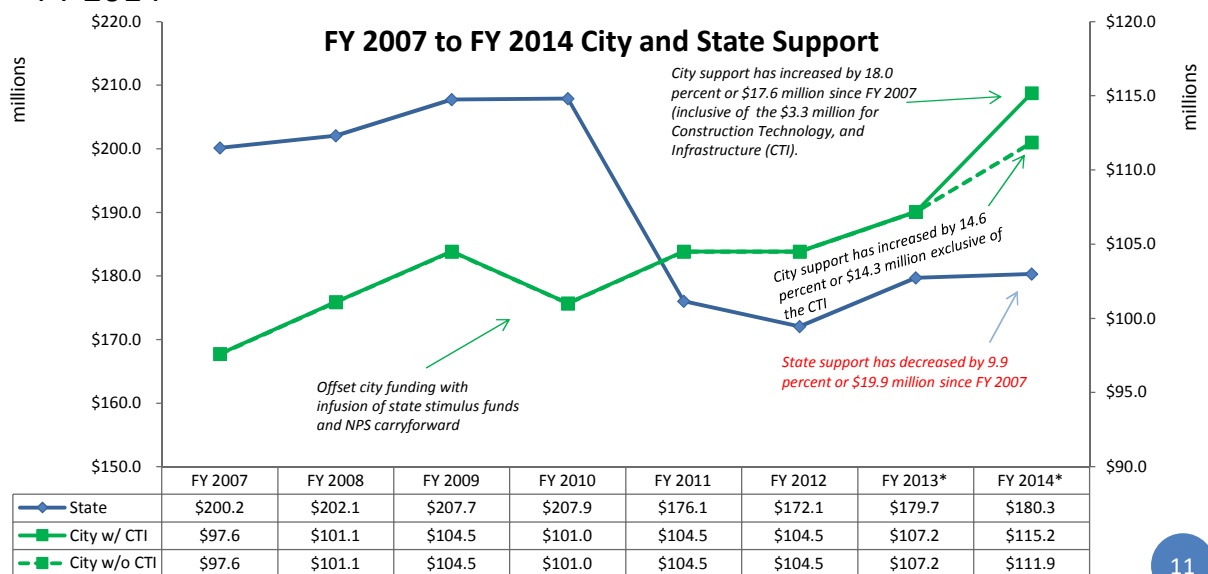
- City support has increased by 25.4 percent or \$23.3 million since FY 2005 (inclusive of CTI)
- City support has increased by 21.8 percent or \$20.0 million since FY 2005 (exclusive of CTI)



Source: City of Norfolk Approved Budgets

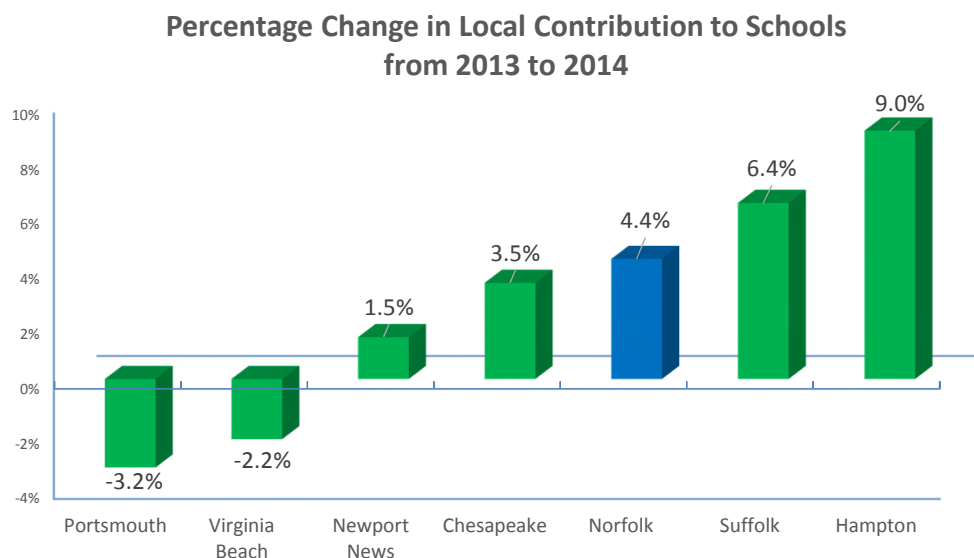
A look at city and state support FY 2007 – FY 2014

- The city's increase in school support is greater than the commonwealth's from FY 2007 to FY 2014
- Norfolk's ADM has decreased by 9.5 percent or 3,124 from FY 2007 to FY 2014



*Budget Amounts Source: City of Norfolk Approved Budgets

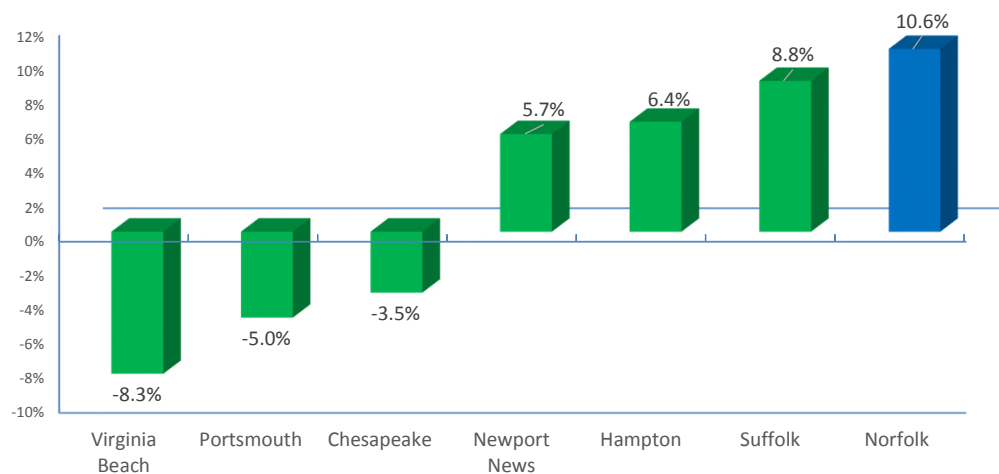
A regional comparison: local support from FY 2013 to FY 2014



For a similar comparison across localities, the CTI funds provided by the City of Norfolk, the debt service and technology funds provided to schools by the City of Virginia Beach and the debt service and grounds maintenance funds provided to schools by the City of Newport News are removed from the calculation.
Source: Data from FY 2013 to FY 2014 Approved Budgets. Analysis by the City of Norfolk's Office of Budget and Grants Management.

A regional comparison: local support from FY 2008 to FY 2014

Percentage Change in Local Contribution to Schools
from 2008 to 2014



For a similar comparison across localities, the CTI funds provided by the City of Norfolk, the debt service and technology funds provided to schools by the City of Virginia Beach and the debt service and grounds maintenance funds provided to schools by the City of Newport News are removed from the calculation.

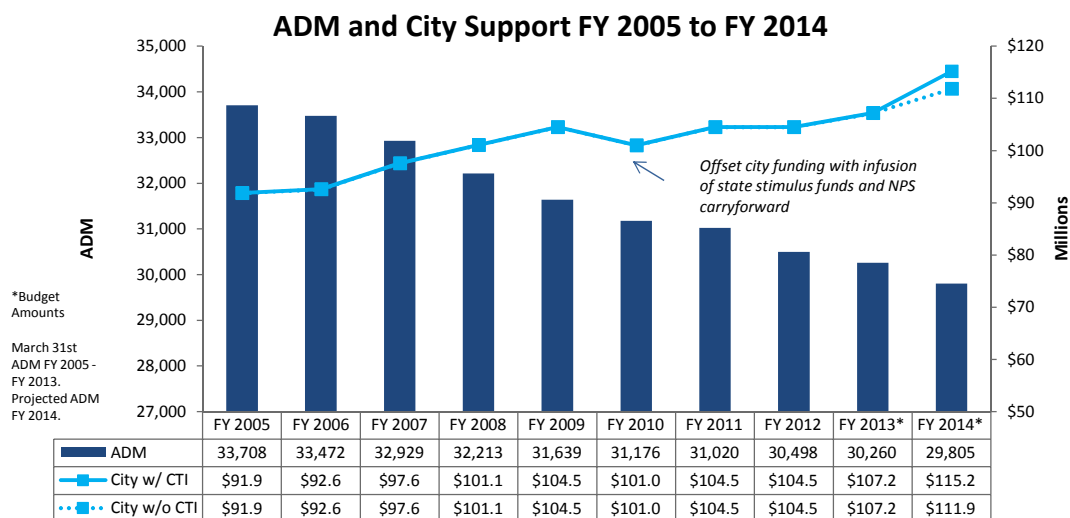
Source: Data from FY 2008 to FY 2014 Approved Budgets. Analysis by the City of Norfolk's Office of Budget and Grants Management.

How does the number of students impact funding?

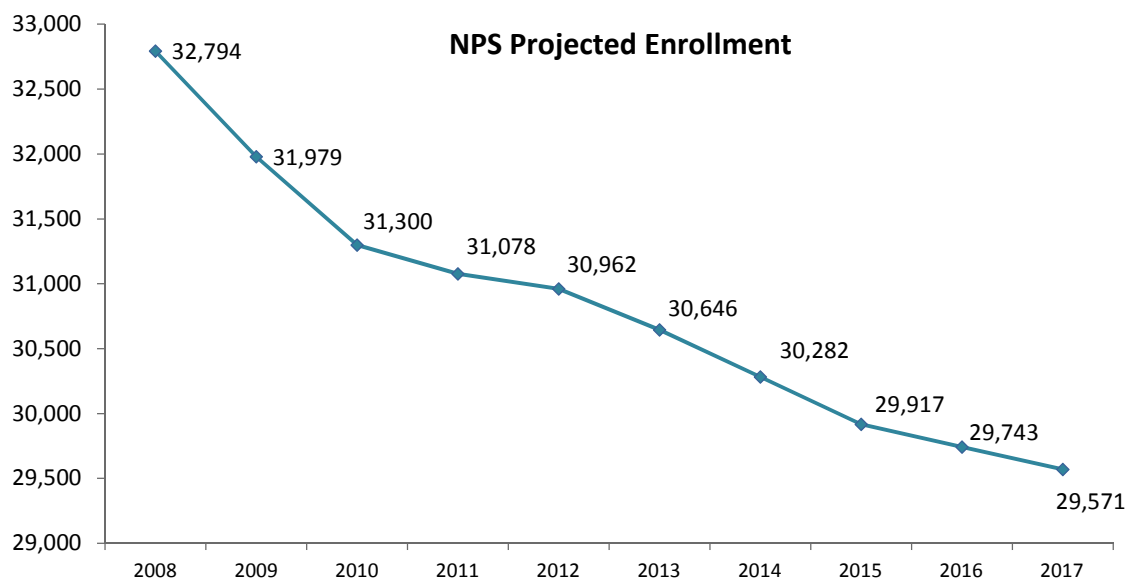
- Average Daily Membership (ADM) is the student enrollment count that drives most state funds for education.
- As enrollment declines so does state support.
- **The city's contribution is not tied to enrollment and has increased even as NPS educates fewer students.**

Over the last ten years ADM has decreased by almost 4,000 students and city support has increased by over \$23 million

- City support has increased by 25.4 percent or \$23.3 million since FY 2005 (inclusive of CTI)
- City Support has increased by 21.8 percent or \$20.0 million since FY 2005 (exclusive of CTI)
- Norfolk's ADM has decreased by 11.6 percent or 3,903 from FY 2005 to FY 2014



NPS enrollment is projected to decline by 711 students over the next four years



Source: Norfolk Public Schools (NPS) FY 2014 School Board's Proposed Educational Plan and Budget.

Student Enrollment varies significantly throughout the division

NPS Fall Membership 2012-2013 School Year				
	Minimum Enrollment	Maximum Enrollment	Average Enrollment	Total Student Enrollment
Pre-K (Berkley-Campostella Early Childhood Center & Easton Preschool)	128 <i>Berkley/Campostella EEC</i>	192 <i>Easton</i>	160	320
Pre-K - 8 Schools (Ghent K - 8 and Crossroads Pre-K - 8)	533 <i>Ghent</i>	774 <i>Crossroads (Pre -K-6 for 2013)</i>	654	1,307
Elementary Schools (Pre-K - 5)	219 <i>Willoughby</i>	816 <i>Coleman Place</i>	539	16,701
Middle Schools (6 - 8)	688 <i>Lafayette-Winona</i>	1,234 <i>Blair</i>	940	6,577
High Schools (9 - 12)	1,277 <i>Lake Taylor</i>	1,949 <i>Granby</i>	1,591	7,957
Grand Total				32,862

Source: Virginia Department of Education (VDOE). Fall Membership data for the 2013-2014 school year is not yet available.

Pre-K and Pre-K – Grade 8 Fall Membership

Pre-K Fall Membership			
	2011-2012	2012-2013	Difference
Berkley/Campostella Early Childhood Education Center	236	128	(108)
Easton Preschool	186	192	6
Total	422	320	(102)

Pre-K - Grade 8 Fall Membership			
	2011-2012	2012-2013	Difference
Crossroads School (Student Enrollment was Pre-K-5 for 2011-2012 and Pre-K – 6 for 2012-2013 School Year)	634	774	140
Ghent School	559	533	(26)
Total	1,193	1,307	114

Source: Virginia Department of Education (VDOE). Fall Membership data for the 2013-2014 school year is not yet available.

Elementary School Fall Membership

Elementary School Fall Membership			
	2011-2012	2012-2013	Difference
Bay View Elementary	763	733	(30)
Camp Allen Elementary	525	498	(27)
Campostella Elementary	693	679	(14)
Chesterfield Academy Elementary	554	555	1
Coleman Place Elementary	800	816	16
Fairlawn Elementary	463	432	(31)
Granby Elementary	653	596	(57)
Ingleside Elementary	594	541	(53)
Jacox Elementary	676	664	(12)
James Monroe Elementary	454	460	6
Larchmont Elementary	579	581	2
Larrymore Elementary	615	565	(50)
Lindenwood Elementary	366	397	31
Little Creek Elementary	743	813	70
Mary Calcott Elementary	485	482	(3)
Norview Elementary	493	501	8

Source: Virginia Department of Education (VDOE). Fall Membership data for the 2013-2014 school year is not yet available.

Elementary Fall Membership continued...

Elementary School Fall Membership			
	2011-2012	2012-2013	Difference
Ocean View Elementary	573	606	33
Oceanair Elementary	512	466	(46)
P.B. Young, Sr. Elementary	423	457	34
Poplar Halls Elementary	355	329	(26)
Richard Bowling Elementary	560	565	5
Sewells Point Elementary	657	635	(22)
Sherwood Forest Elementary	655	670	15
St. Helena Elementary	326	313	(13)
Suburban Park Elementary	544	521	(23)
Tanners Creek Elementary	678	708	30
Tarrallton Elementary	441	425	(16)
Tidewater Park Elementary	357	379	22
Walter Herron Taylor Elementary	466	459	(7)
Willard Model Elementary	654	636	(18)
Willoughby Elementary	260	219	(41)
Total	16,917	16,701	(216)

Source: Virginia Department of Education (VDOE). Fall Membership data for the 2013-2014 school year is not yet available.

Middle School Fall Membership

Middle School Fall Membership			
	2011-2012	2012-2013	Difference
Azalea Gardens Middle	917	969	52
Blair Middle	1,194	1,234	40
Lafayette-Winona Middle	681	688	7
Lake Taylor Middle	950	928	(22)
Northside Middle	785	760	(25)
Norview Middle	1,185	1,186	1
William H. Ruffner Middle	885	812	(73)
Total	6,597	6,577	(20)

Source: Virginia Department of Education (VDOE). Fall Membership data for the 2013-2014 school year is not yet available.

High School Fall Membership

High School Fall Membership			
	2011-2012	2012-2013	Difference
Lake Taylor High	1,327	1,277	(50)
Booker T. Washington High	1,404	1,293	(111)
Granby High	2,076	1,949	(127)
Matthew Fontaine Maury High	1,685	1,650	(35)
Norview High	1,840	1,788	(52)
Total	8,332	7,957	(375)
Total Fall Membership for NPS	33,461	32,862	(599)

Source: Virginia Department of Education (VDOE). Fall Membership data for the 2013-2014 school year is not yet available.

School Infrastructure and Capital

NPS Facilities

- 33 elementary schools
- 8 middle schools
- 5 high schools
- 2 preschools
- 3 special purpose schools
- 4 other school facilities

School Infrastructure

- The city supports improvements of Norfolk Public Schools (NPS) infrastructure in its Capital Improvement Plan (CIP)
- The average age of NPS facilities adjusted for renovations or additions is 40 years

Approved FY 2014 Capital Improvement Plan

Approved FY 2014 Five-Year Capital Improvement Plan (CIP) (in millions)								
Project	Prior Funding	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Five-Year Plan Total	Total
School #1 (Crossroads) Complete in FY 2012	\$29.4						-	\$29.4
Campostella	\$4.7	\$12.3	\$5.0				\$17.3	\$22.0
Broad Creek Area	\$4.7	\$12.3	\$5.0				\$17.3	\$22.0
Larchmont				\$2.2	\$14.8	\$5.0	\$22.0	\$22.0
Oceanview				\$2.2	\$14.8	\$5.0	\$22.0	\$22.0
Subtotal	\$38.9	\$24.6	\$10.0	\$4.4	\$29.6	\$10.0	\$78.6	\$117.5
Major Maintenance		\$3.0	\$3.0	\$3.0	\$2.0	\$2.0	\$13.0	\$13.0
School Athletics Support Buildings		\$1.0					\$1.0	\$1.0
Camp Allen Elementary (20% paid by city, 80% reimbursable by Department of Defense)		\$4.0	\$17.0	\$7.7			\$28.7	\$28.7
Support new Governor's school			\$0.3				\$0.3	\$0.3
Grand Total	\$38.9	\$32.6	\$30.3	\$15.1	\$31.6	\$12.0	\$121.5	\$160.4

Statewide school construction costs

- Virginia Department of Education notes square foot construction cost prices in Northern Virginia are typically higher, while prices in the Southside and Tidewater have been historically lower than the state average
- Cost data includes the cost of construction, site development, water systems, sewage disposal, built-in equipment, and demolition
- Cost data does not include architecture and engineering fees, value engineering, construction management fees, cost of site, loose equipment, and furniture

Average school construction costs statewide

Annual Cost Data for New School Construction ¹						
Source: Virginia Department of Education (VDOE) - School Construction Cost Data						
Types of Schools	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 ⁴
Combined or other schools²						
Average Construction Cost	n/a	n/a	\$15,976,900	\$28,402,000	\$56,600,000 ³	\$36,656,745
Average of Total Cost/Sq.Feet			\$179	\$200	\$221	\$294
Number of Schools	n/a	n/a	2	1	1 complex	1
Elementary						
Average Construction Cost	\$16,548,127	\$14,532,394	\$15,377,000	\$16,140,655	\$14,958,373	n/a
Average of Total Cost/Sq.Feet	\$171	\$164	\$162	\$175	\$174	n/a
Average of Total Cost/Pupil	\$20,022	\$21,421	\$21,407	\$19,861	\$22,287	n/a
Number of Schools	4	6	3	6	7	n/a
Middle						
Average Construction Cost	\$29,625,733	\$23,096,667	n/a	n/a	\$26,661,855	\$17,757,753 ⁵
Average of Total Cost/Sq.Feet	\$184	\$142	n/a	n/a	\$182	\$141
Average of Total Cost/Pupil	\$27,891	\$18,978	n/a	n/a	\$31,490	n/a
Number of Schools	4	3	n/a	n/a	3	1
High School						
Average Construction Cost	\$59,068,933	n/a	\$57,487,333	\$73,922,790	\$56,477,501	\$61,048,241
Average of Total Cost/Sq.Feet	\$210	n/a	\$199	\$211	\$216	\$228
Average of Total Cost/Pupil	\$32,529	n/a	\$32,706	\$36,961	\$36,515	\$34,619
Number of Schools	5	n/a	3	1	4	2

¹Data does not include A&E, value engineering, construction management fees, cost of site, loose equipment and furniture

²Includes K-8 schools. Crossroads construction cost of \$24.3 million is included in FY 2011 data.

³FY 2013 combined or other school project is a Middle, High, and Career Center complex in Dickenson County

⁴FY 2014 data is preliminary. Final report will not be generated until June 30, 2014

⁵PPEA – Middle School is Montgomery County

Planned FY 2014 Major Maintenance Projects

Each fiscal year prior to the distribution of Capital Improvement Program Major Maintenance funds to Norfolk Public Schools (NPS), NPS provides a list of **planned projects** to the city.

FY 2014 NPS Planned Major Maintenance Projects		
School/Facility	Project Description	Estimated Cost
Azalea Gardens Middle	Replace Gymnasium Bleachers	\$50,000
Lake Taylor High	Replace Built-up Roof Phase 2	\$1,537,000
Lake Taylor Middle	Replace Gymnasium Bleachers	\$50,000
Lake Taylor Middle	Masonry Point-up	\$450,000
Tidewater Park Elementary	Replace Built-up Roof	\$505,000
Granby High	Upgrade Closed-circuit television	\$248,000
Norview High	Resurface Track	\$160,000
	FY 2014 Total	\$3,000,000

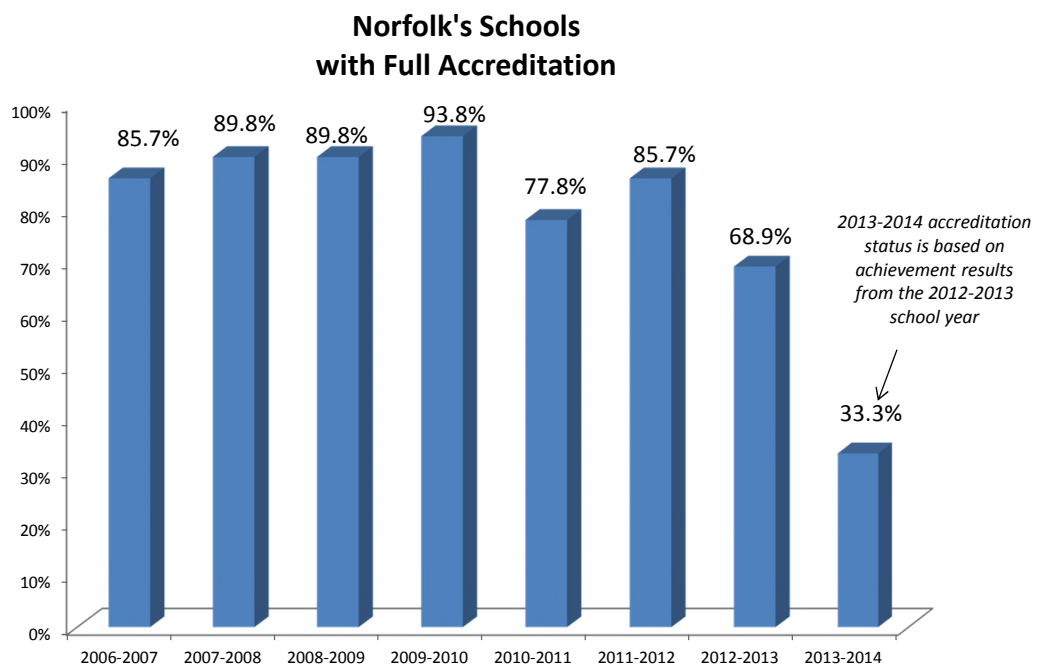
Academics

FY 2014 Accreditation

2012-2013 and 2013-2014 Accreditation Ratings						
(based on the 2011-2012 and 2012-2013 school year)						
	2012-2013		2013-2014		Prior Year Comparison	
Accreditation Rating	Number of Schools	Percent of Schools	Number of Schools	Percent of Schools	Number of Schools	Percentage Change
Fully Accredited	31	68.9%	15	33.3%	-16	-51.6%
Accredited with Warning	10	22.2%	27	60.0%	17	170.0%
Accreditation Denied	2	4.4%	3	6.7%	1	50.0%
Provisionally Accredited-Graduation Rate	1	2.2%	0	0.0%	-1	-100.0%
Conditionally Accredited	1	2.2%	0	0.0%	-1	-100.0%
Total Schools	45	100.0%	45	100.0%		

Source: Virginia Department of Education 2013

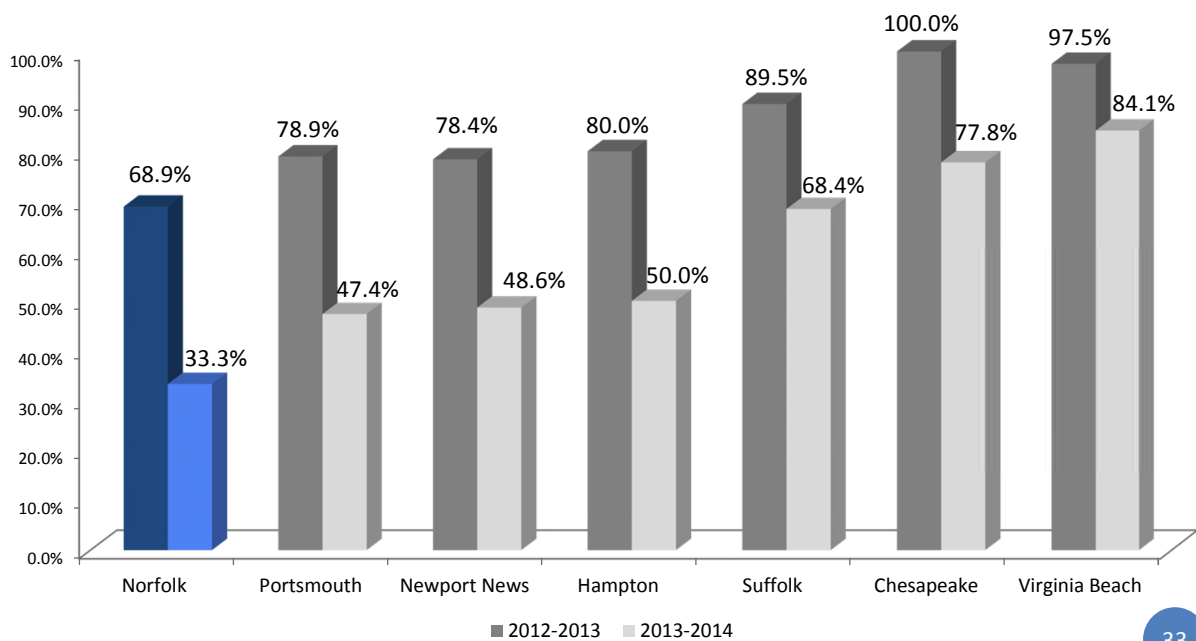
Full Accreditation History



Source: Virginia Department of Education 2006-2013

Regional Comparison Full Accreditation

**Regional Comparison Percentage of Schools with Full Accreditation
2012-2013 and 2013-2014**



Source: Virginia Department of Education 2012-2013

Council Strategy Discussion and Direction

Appendix

Approved FY 2013 Capital Improvement Plan (CIP)

Approved FY 2013 Five-Year Capital Improvement Plan (CIP) (in millions)								
Project	Prior Funding	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Five-Year Plan Total	Total
School #1 (Crossroads) Complete in FY 2012	\$29.4						-	\$29.4
Campostella	\$4.7		\$12.3	\$5.0			\$17.3	\$22.0
Broad Creek Area	\$4.7		\$12.3	\$5.0			\$17.3	\$22.0
Larchmont					\$2.2		\$2.2	\$2.2
Oceanview					\$2.2		\$2.2	\$2.2
Subtotal	\$38.9	-	\$24.6	\$10.0	\$4.4	-	\$39.0	\$77.9
Major Maintenance		\$3.0	\$3.0	\$3.0	\$3.0	\$2.0	\$14.0	\$14.0
Support CTE		\$0.5					\$0.5	\$0.5
Support Governor's School for the Arts		\$0.3					\$0.3	\$0.3
Grand Total	\$38.9	\$3.8	\$27.6	\$13.0	\$7.4	\$2.0	\$53.8	\$92.7

NPS FY 2014 Accreditation - Full Accreditation

FY 2014 Fully Accredited

Bay View Elementary
Crossroads School
Ghent K-8
Granby High
Larchmont Elementary
Larrymore Elementary
Mary Calcott Elementary
Matthew Fontaine Maury High
Northside Middle
Norview High
Ocean View Elementary
Sewells Point Elementary
Tarrallton Elementary
Walter Herron Taylor Elementary
Willoughby Elementary

NPS FY 2014 Accreditation – Accredited with Warning

FY 2014 Accredited with Warning

Azalea Gardens Middle	Little Creek Elementary
Blair Middle	Norview Elementary
Booker T. Washington High	Norview Middle
Camp Allen Elementary	Oceanair Elementary
Campostella Elementary	P.B. Young, Sr. Elementary
Chesterfield Academy Elementary	Poplar Halls Elementary
Coleman Place Elementary	Richard Bowling Elementary
Fairlawn Elementary	Sherwood Forest Elementary
Granby Elementary	St. Helena Elementary
Ingleside Elementary	Suburban Park Elementary
Jacox Elementary School	Tanners Creek Elementary
James Monroe Elementary	Tidewater Park Elementary
Lake Taylor High	Willard Model Elementary
Lake Taylor Middle	

NPS FY 2014 Accreditation – Accreditation Denied

FY 2014 Accreditation Denied

Lafayette-Winona Middle

Lindenwood Elementary

William H. Ruffner Middle

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Real Estate Tax Sustainability

Executive Summary

Topic:	Real Estate Tax Sustainability Strategy Discussion
Description:	The presentation provides information for a discussion on sustainability of real estate revenues
Analysis:	<p>During the economic and housing market downturn, Norfolk's real estate revenue declined significantly and still has not recovered to the pre-recession level (FY 2010). This presentation provides an option for Norfolk to ensure sustainability of real estate revenues, which could be implemented until real estate revenue has risen back to the pre-recession level.</p> <p>When real estate assessments are declining, the option, if followed, will ensure that real estate revenues do not decline and remain the same as the previous year's revenue. When real estate assessments are increasing, the option, if followed, will ensure that real estate revenues would grow by at least the three-year average rate of inflation growth, but no more than five percent. Revenue used above the limit would need to be justified. The City of Hampton has a similar guideline for real estate revenue growth that is based on inflation and resident income.</p>
Financial Impact:	The Norfolk option presented to ensure sustainability of real estate revenue would require increasing the real estate tax rate if assessments continue to grow at a slow pace. If the option is approved, real estate revenues should return to the pre-recession level within three years. This would equate to \$5.4 million in real estate revenue.
Recommendation(s):	It is recommended that the option presented be approved to ensure the sustainability of real estate revenues in future years.

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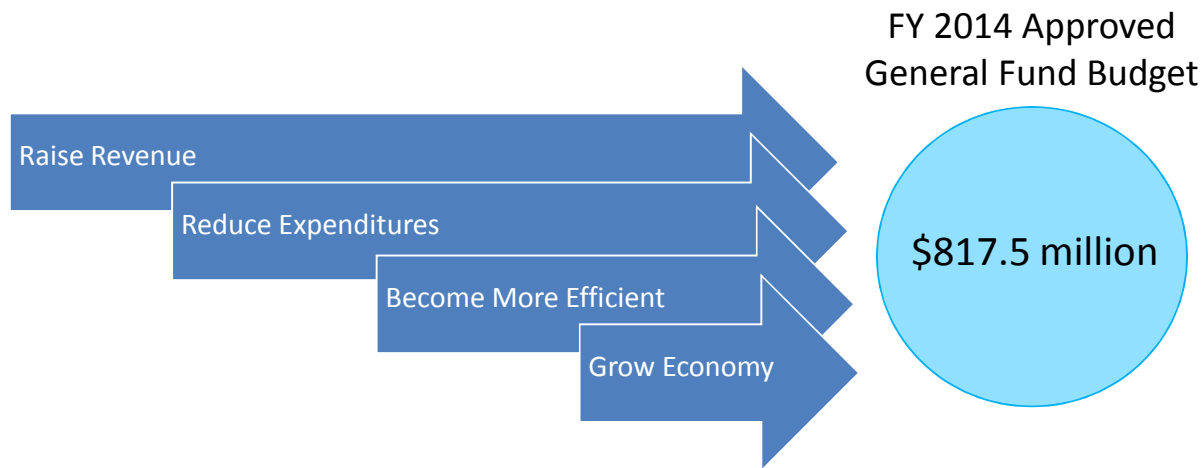
Real Estate Tax Sustainability

City Council Retreat
September 23-24, 2013

Presentation Overview

- The purpose of this briefing is to provide information for a discussion on the sustainability of real estate revenues
- The presentation is organized as follows:
 - Overview of the real estate tax
 - Guideline for sustainability of real estate revenue
 - Case study: City of Hampton
 - Analysis of fiscal impact on Norfolk

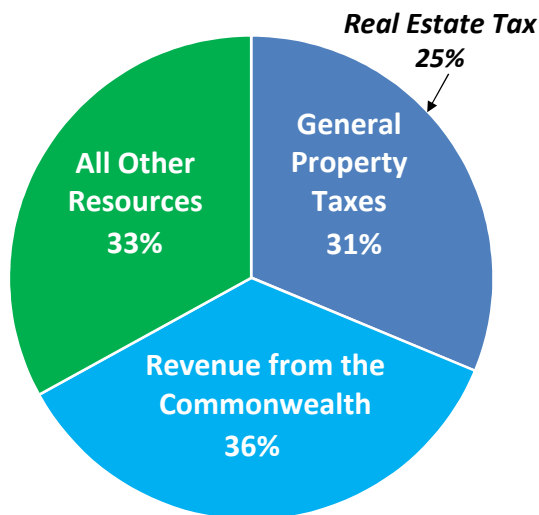
FY 2014 Approved General Fund Budget



Overview of the real estate tax

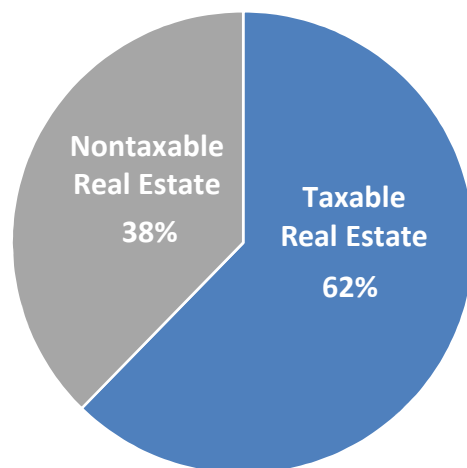
Real estate is a significant source of local revenue, but not all of it is taxable

City of Norfolk
FY 2014 General Fund
Revenue



City of Norfolk Real Estate
Taxable vs. Nontaxable

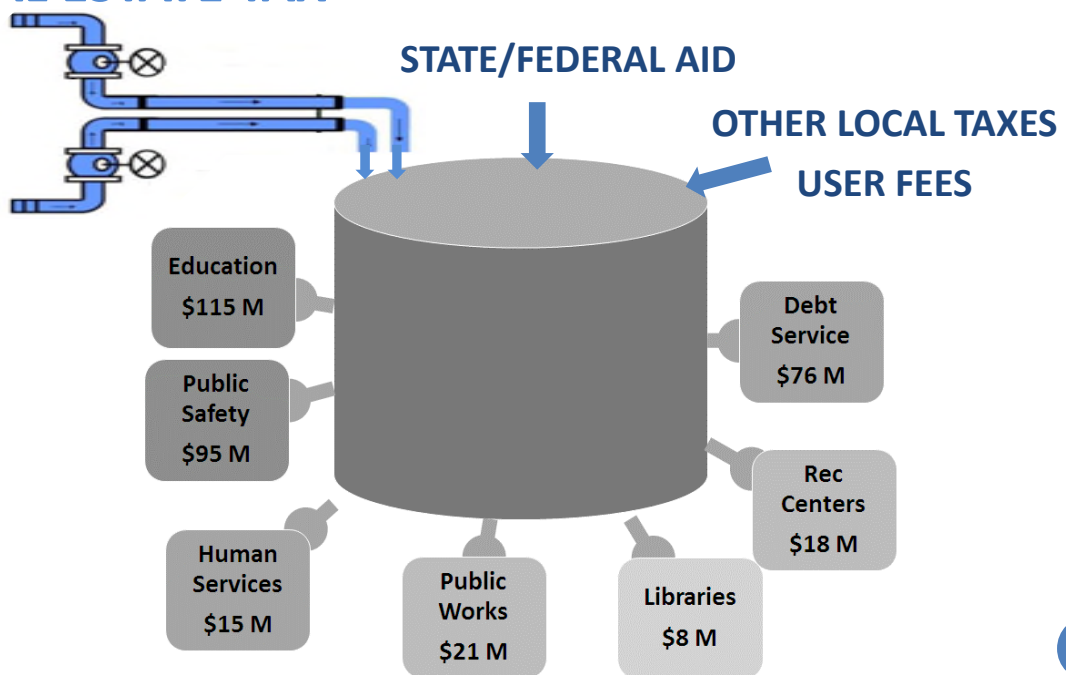
*Potential revenue loss from
nontaxable real estate \$122 million*



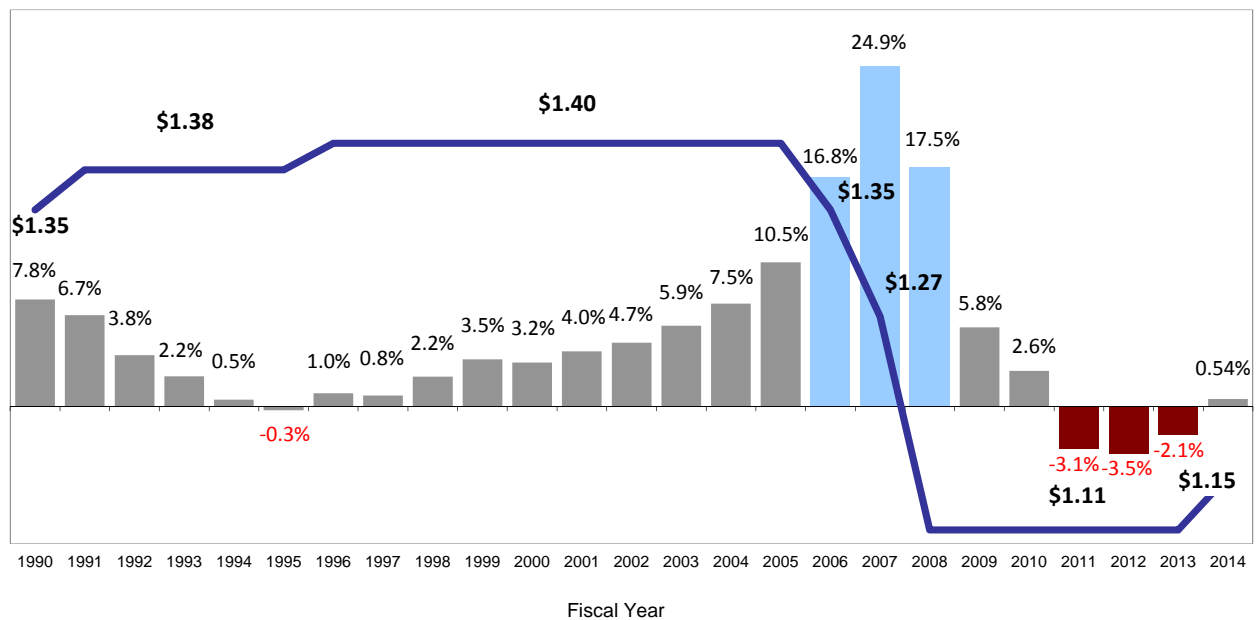
Potential revenue loss based on the real estate tax rate of \$1.15 per \$100 of assessed value. Assessed values are preliminary, pending the release of the City Assessor's Annual Report for FY 2014.

Real estate and other resources fund basic services

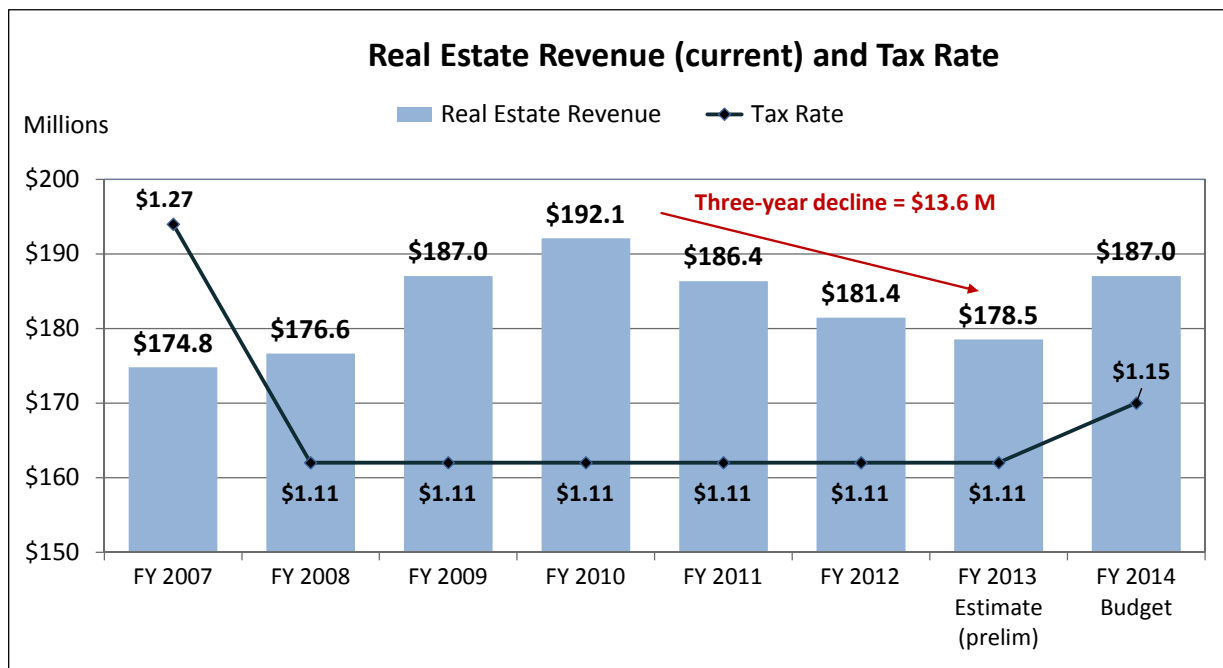
REAL ESTATE TAX



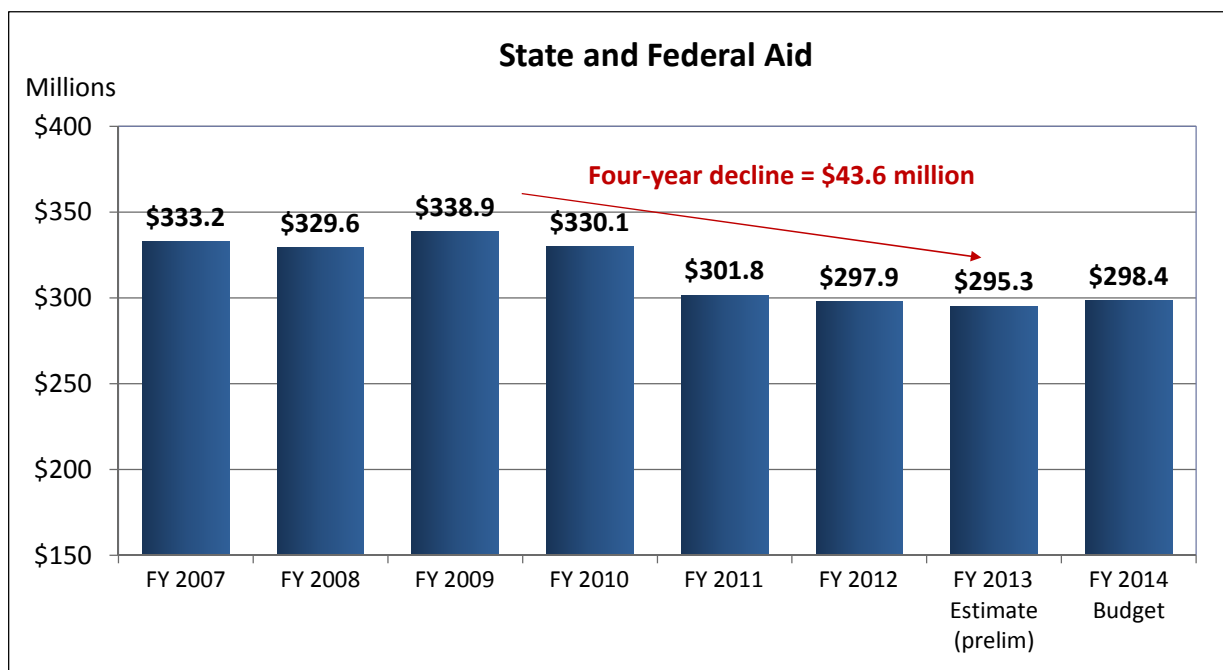
Real estate assessments impacted by the housing market decline



Real estate revenue declined with the tax rate remaining at \$1.11



State and federal aid also declined



Legal constraints on generating revenue

- Virginia is a *Dillon Rule* state
- Dillon's Rule is used in interpreting state law when there is a question of whether or not a local government has a certain power
 - Dillon's Rule narrowly defines the power of local governments
 - Dillon's Rule restricts the power and flexibility which local governments have to address their needs

Source: Clay L. Wirt. "Dillon's Rule." *Virginia Town & City*, vol. 24, no. 8, August 1989.

Guideline for sustainability of real estate revenue

Real estate sustainability

- Due to the economic and housing market downturn, Norfolk revenue declined significantly
- Moreover, the Dillon Rule restricts Virginia localities' ability to generate new revenue
- Some localities have a policy/guideline that ties real estate revenue to an index, which could be designed to ensure sustainability of real estate revenue
 - For example, City of Hampton Tax Revenue Guideline, which will be discussed in the next section

Real estate sustainability (continued)

- Parameters commonly used to index revenue include inflation, income, and population

Index	Significance for Revenue Growth
Inflation	Revenue should keep up with the increase in the cost of providing services
Resident Income	Income reflects “ability to pay” for services
Population	Revenue should keep up with population growth, since the demand for services typically increases as population grows

- However, this does not address the steep decline in state and federal aid, which is also a substantial revenue source for Norfolk

City of Hampton Tax Revenue Guideline

City of Hampton

- Tax Revenue Guideline:
 - When property assessments increase:
 - The Real Estate tax rate should be adjusted downward annually based on a minimum assessment increase of the equivalent of at least one penny on the tax rate as compared to the previous fiscal year
 - Real estate tax revenue growth (net of new construction) tied to percentage increase in inflation (CPI-U) or resident income growth, whichever is greater
 - When budgetary needs require growth in real estate tax revenue to be above the guideline, the City Manager/Council shall explain the budget driving forces so that residents may have a clear and concise understanding of the need to deviate from the guideline

City of Hampton (continued)

- Tax Revenue Guideline:
 - When property assessments decrease:
 - The Real Estate tax rate should be adjusted upwards annually based on a minimum assessment decline of the equivalent of at least one penny on the tax rate as compared to the previous fiscal year
 - Additional factors to be considered include cost pressures and resident income growth.
 - Flexibility will be provided to the governing body regarding the application of this tax rate factor

City of Hampton (continued)

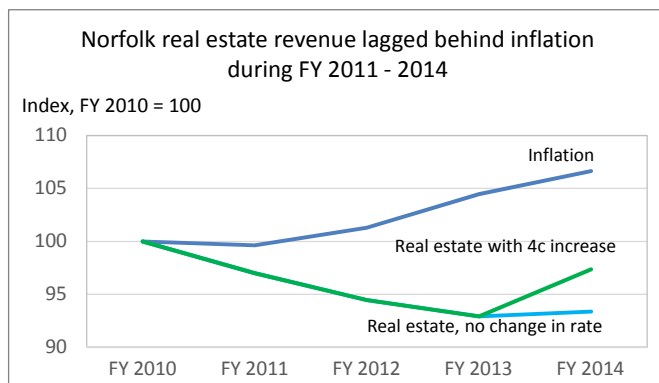
- Tax Revenue Guideline:
 - When property assessments increase or decrease:
 - At a minimum, all revenues and fees should be examined each year to encourage diversity and less reliance on real property revenues during economic declines

Analysis of Fiscal Impact on Norfolk

Overview of analysis

- This section of the presentation discusses how Norfolk real estate revenue growth compared to the following indices:
 - Inflation
 - Average resident income
 - Population
- The potential revenue impact is also provided if real estate revenue had been tied to these indices during the following periods:
 - **FY 2011 - FY 2014**, when real estate revenue was declining; and
 - **FY 2014** (a look back on the development of current budget)

Indexing to inflation/Consumer Price Index (CPI) change



Indexing real estate revenue to inflation beginning in FY 2015, it would take about 1-2 years for real estate revenue to be back to the FY 2010 level, assuming no change in real estate assessments

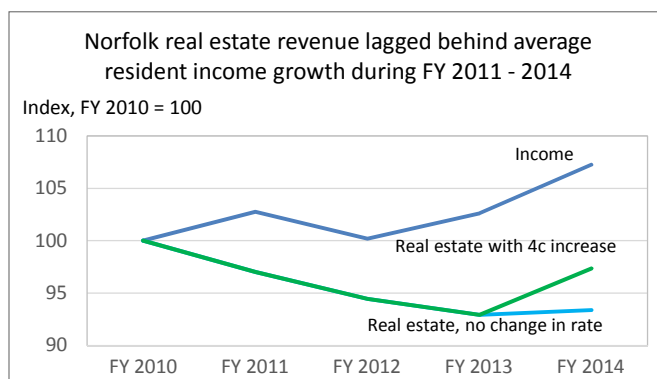
Comparison of Annual Percent Change in Inflation with Norfolk Real Estate Revenue (current)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2010 - 2014
CPI-U Annual Percent Change	-0.4%	1.6%	3.2%	2.1%	6.6%
Real Estate (current) Annual Percent Change	-3.0%	-2.6%	-1.6%	0.5%* 4.8%**	-6.6%* -2.6%**
Real Estate Tax Rate indexed to inflation (annual increase in tax rate in parenthesis)	\$1.14 (3¢)	\$1.19 (5¢)	\$1.245 (5.5¢)	\$1.263 (1.8¢)	Total = 15.3 cents

* Excludes growth/impact from the four cent rate increase from \$1.11 to \$1.15.

** Includes growth/impact from the four cent rate increase from \$1.11 to \$1.15.

Indexing to average resident income growth



Indexing real estate revenue to average resident income growth, it would take about 1-2 years for real estate revenue to be back to the FY 2010 level, assuming no change in real estate assessments.

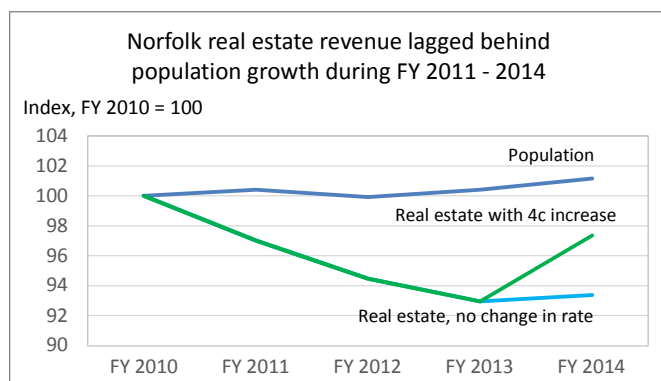
Comparison of Annual Percent Change in Average Resident Income with Norfolk Real Estate Revenue (current)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2010 - 2014
Average Resident Income Annual Percent Change	2.8%	-2.5%	2.4%	4.5%	7.3%
Real Estate (current) Annual Percent Change	-3.0%	-2.6%	-1.6%	0.5%* 4.8%**	-6.6%* -2.6%**
Real Estate Tax Rate indexed to average resident income (annual increase in tax rate in parenthesis)	\$1.18 (7¢)	\$1.18 (0¢)	\$1.22 (4¢)	\$1.27 (5¢)	Total = 16 cents

* Excludes growth/impact from the four cent rate increase from \$1.11 to \$1.15.

** Includes growth/impact from the four cent rate increase from \$1.11 to \$1.15.

Indexing to population growth



Indexing real estate revenue to population growth, it would take about 6-7 years for real estate revenue to be back to the FY 2010 level, assuming population grew at the 10-year average and no change in real estate assessments.

Comparison of Annual Percent Change in Population with Norfolk Real Estate Revenue (current)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2010 - 2014
Population Annual Percent Change	0.4%	-0.5%	0.4%	0.7%	1.2%
Real Estate (current) Annual Percent Change	-3.0%	-2.6%	-1.6%	0.5%* 4.8%**	-6.6%* -2.6%**
Real Estate Tax Rate indexed to inflation (annual increase in tax rate in parenthesis)	\$1.15 (4¢)	\$1.18 (3¢)	\$1.20 (2¢)	\$1.20 (0¢)	Total = 9 cents

* Excludes growth/impact from the four cent rate increase from \$1.11 to \$1.15.

** Includes growth/impact from the four cent rate increase from \$1.11 to \$1.15.

Indexing FY 2014 real estate tax revenue (A look back with the 4¢ increase)

- The table below recaps the total increase in the tax rate needed in FY 2014 to make up for the growth in inflation, income and population during the FY 2010 – 2014 period
 - The table also shows the tax rate increase needed to get back to the level of real estate revenues in FY 2010 (pre-recession level)

Index	Real Estate Tax Rate Increase with Indexing ("catch up")	Real Estate Tax Rate with Indexing ("catch up")
Inflation (CPI-U) Growth	15.3¢	\$1.263
Average Resident Income Growth	16.0¢	\$1.27
Population Growth	9.0¢	\$1.20
To Return to FY 2010 Revenue	7.6¢	\$1.186

Norfolk option: When there is assessment growth

- When assessments are **increasing**, Norfolk real estate revenue growth from the previous year's revenue should not be below the three year average increase in inflation, not to exceed five percent

Five Percent Growth Ceiling



- When assessments are **declining**, the minimum (“floor”) should be to maintain revenue neutrality
 - Real estate revenue should be at least the same as the previous year's revenue

Norfolk option (continued)

- Under this option, real estate revenue growth would, at a minimum, keep up with general cost of living increases
- Revenue used above the limit (“ceiling”) would need to be justified
- Guideline would be revisited when real estate revenue has reached pre-recession level (FY 2010)

Issues to consider

- When real estate revenue was growing at double-digit rates, the city reduced tax rates to provide relief to taxpayers
- Indexing could provide sustainability of real estate revenue for funding basic services when assessments are falling
 - However, this would require raising the real estate tax rate
- Indexing could be implemented until real estate revenue has at least reached pre-recession level (FY 2010), if assessments do not grow quickly enough

Council Strategy Discussion and Direction

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Tax Rates and Fees

Executive Summary

Topic: Tax Rates and Fees

Description:

- First chart provides an overview of comparative local taxes and fees.
- Second chart provides information on the revenue generated from selected tax rate adjustments, particularly focusing on rates other cities in the region changed in FY 2014.

Analysis:

- Regarding the real estate tax, Portsmouth has the highest rate at \$1.27 and Norfolk stands in the middle of the seven major cities.
- Regarding the hotel and admissions tax, all seven cities have the same tax rate at 8.0% and at 10.0%, respectively.
- Regarding the bed tax, Norfolk has the highest rate at \$2.00 per room per night.
- Regarding the boat tax, Norfolk is third of the seven major cities at \$0.50 along with Portsmouth and Suffolk has the highest rate at \$1.50.
- Regarding the cigarette tax, Norfolk is the fifth of the seven major cities at \$0.75 and Newport News has the highest rate at \$0.85.

Financial Impact: There is no financial impact.

Recommendation(s): No action is required from City Council at this time.

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Overview of Tax Rates and Fees

City Council Retreat
September 23-24, 2013

Local Tax Rates and Fees

Tax / Fee Category	Norfolk	Chesapeake	Hampton	Newport News	Portsmouth	Suffolk	Virginia Beach ¹¹
Real Estate (General)	\$1.15 ¹	\$1.05 ³	\$1.24	\$1.22	\$1.27	\$1.03 ⁵	\$0.93
Special District Tax Rate 1	\$1.31 ²	\$1.04 ⁴				\$1.28 ⁶	\$0.99 ⁹
Special District Tax Rate 2						\$1.135 ⁷	\$1.38 ¹⁰
Personal Property Taxes (per \$100 of assessed value)							
Motor Vehicle	\$4.33	\$4.08	\$4.25	\$4.50	\$5.00	\$4.25	\$3.70
Recreational Vehicles	\$1.50	\$1.58	\$0.000001	\$1.00	\$1.50	\$1.50	\$1.50
Vehicles for Disabled Veterans	\$3.00	\$0.09	\$0.000001	\$1.00	\$5.00	\$4.25	\$1.50
Vehicles for Handicapped	\$4.33	\$0.09	\$0.000001	\$1.00	\$5.00	\$4.25	\$3.00 ¹²
Airplane	\$2.40	\$0.58	n/a	\$2.10	n/a	\$0.58	n/a
Business Furniture, Fixtures, & Equipment	\$4.33	\$4.08	\$4.25	\$4.50	\$5.00	\$4.25	\$3.70
Machinery & Tools	\$4.25	\$3.20	\$3.50	\$3.75	\$3.00	\$3.15	\$0.000001
Watercraft – Business	\$1.50	\$0.09	\$1.00	\$1.00	\$5.00	\$1.50	\$1.50
Watercraft – Recreational	\$0.50	\$0.09	\$0.000001	\$1.00	\$0.50	\$1.50	\$0.000001
Mobile Homes	\$1.15	\$1.05	\$1.04	\$1.10	\$1.23	\$1.03	\$0.89
Other Local Taxes							
Amusement & Admissions	10%	10%	10%	10%	10%	10%	10%
Cigarette (Pack of 20 Cigarettes)	\$0.75	\$0.50	\$0.80	\$0.85	\$0.60	\$0.50	\$0.70
Hotel/Motel Lodging	8%	8%	8%	8%	8%	8%	8%
Bed Tax (Per Room Night)	\$2.00	\$1.00	\$1.00	n/a	n/a	n/a	\$1.00
Restaurant Meal	6.5%	5.5%	7.5%	7.5%	6.5%	6.5%	5.5%
Business, Professional and Occupational Licenses (BPOL)							
License Fee (Gross Receipt Threshold \$100,000)	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Contractors (per \$100)	\$0.16	\$0.16	\$0.16	\$0.15	\$0.16	\$0.16	\$0.16
Retailers (per \$100)	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Wholesale (per \$100)	\$0.15	\$0.12	\$0.15	\$0.20	\$0.15	\$0.09	\$0.12
Repair, Personal & Business Services (per \$100)	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36
Financial, Real Estate & Professional Service (per \$100)	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58
Motor Vehicle License							
Cars & Small Trucks (< 4,000 lbs)	\$26.00	\$23.00	\$35.00	\$26.00	\$25.00	\$26.00	\$26.00
Mid-Size Trucks/Vans (> 4,000 lbs)	\$31.00	\$28.00	\$40.00	\$31.00	\$30.00	\$30.00	\$31.00
Motorcycles	\$15.00	\$8.00	\$17.00	\$24.00	\$24.00	\$24.00	\$24.00

*Compiled by the Budget Office-September 2013

[¹] General Tax

[²] Downtown Improvement District

[³] Non-Mosquito Controlled Area

[⁴] Mosquito Controlled Area

[⁵] General Tax

[⁶] Route 17 Taxing District

[⁷] Downtown Business District

[⁸] General Tax - \$0.78 for Energy Efficient Buildings

[⁹] Sandbridge - \$0.84 for Energy Efficient Buildings

[¹⁰] Central Business District - \$1.23 for Energy Efficient Buildings

[¹¹] Additional Special District Rates: Old Donation Creek (\$1.114), Bayview Creek (\$1.293), Shadowlawn (\$1.0894)

[¹²] Vehicles for Handicapped or Disabled

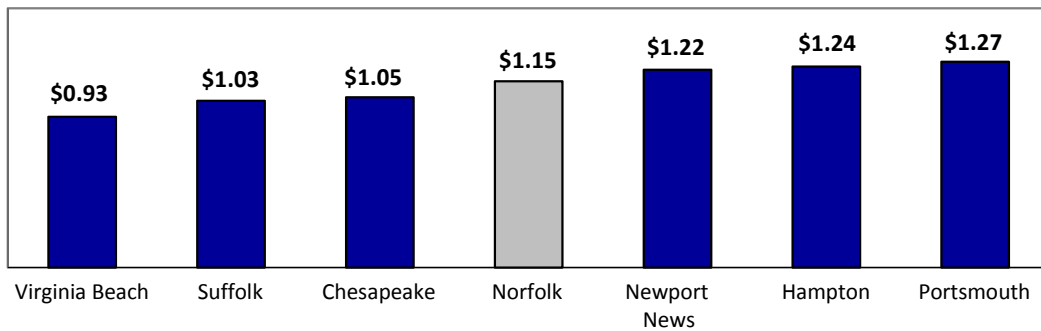
IMPACT OF SELECT TAX RATE CHANGES ON REVENUE

- The chart below provides information on revenue generated from selected tax rate adjustments, particularly focusing on rates other cities in the region have changed in FY 2014.

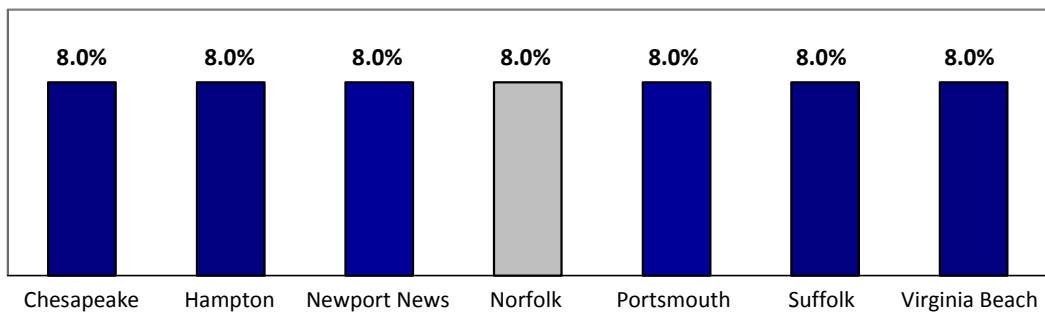
REVENUE SOURCE	NORFOLK'S CURRENT RATE	ESTIMATED REVENUE IMPACT	HIGHEST RATE IN "REGION" ¹	CITY IN REGION AT THE HIGHEST RATE	FY 2014 APPROVED CHANGES
Cigarette	\$0.75/pack of 20 cigarettes	1¢ = \$93,000	85 cents	Newport News	Virginia Beach approved a 5¢ increase from 65¢ to 70¢ per pack
Hotel Tax ²	8% of room rate	1% = \$481,000	8%	All seven cities are at 8%	Newport News approved a 0.5% increase from 7.5% to 8%
Bed Tax	\$2.00 per room/night	\$1 = \$1,000,000	\$2.00	Norfolk	Hampton approved the \$1.00 bed tax in FY 2014
Real Estate	\$1.11/\$100 assessed value	1¢ = \$1,667,800	\$1.27	Portsmouth	Newport News (12¢ increase); Hampton (20¢ increase); Suffolk (6¢ increase); Virginia Beach (2¢ decrease)
Admission s	10% of admission charge	1% = \$400,000	10%	All seven cities are at 10%	Newport News approved a 2.5% increase from 7.5% to 10%

Regional Comparisons of Selected Tax Rates

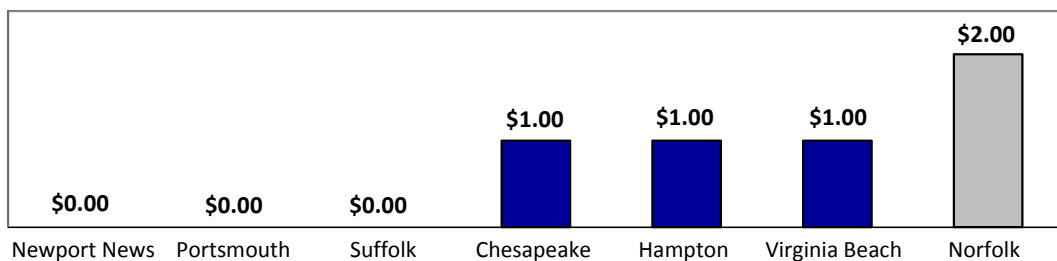
Regional Comparison of REAL ESTATE Tax Rates



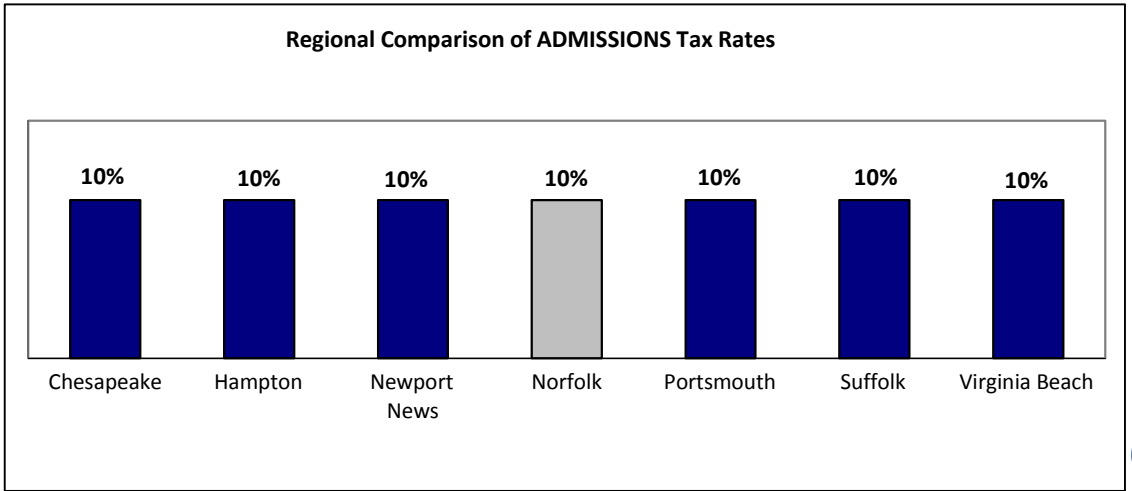
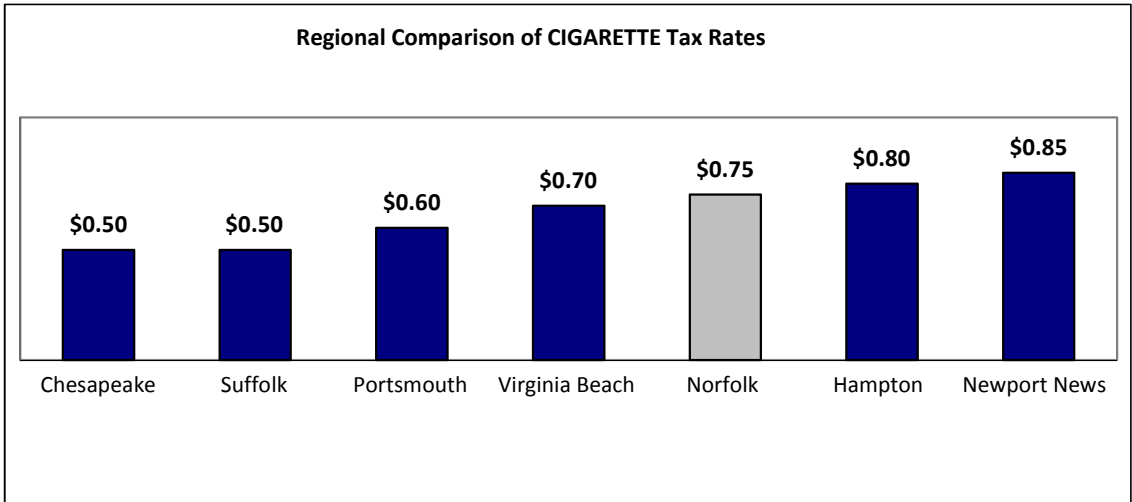
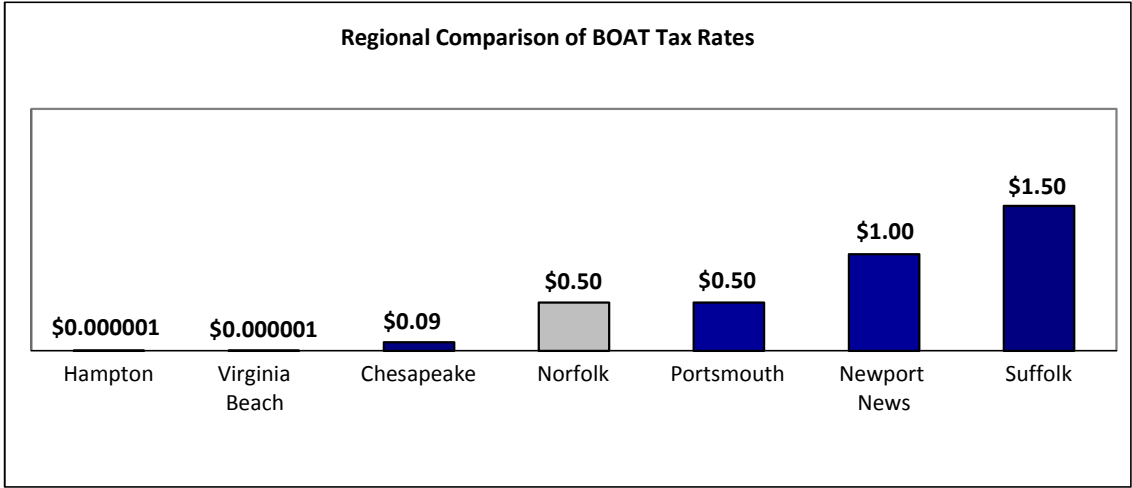
Regional Comparison of HOTEL Tax Rates



Regional Comparison of BED Tax Rates



Regional Comparisons of Selected Tax Rates (continued)



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Citywide Neighborhood Plans

Topic:

Overview of citywide neighborhood plans and initiatives

In 2009 City Council reviewed actions from 85 neighborhood plans. This resulted in a pared-down list of actions to be incorporated into PlaNorfolk2030.

Currently there are 39 plans in place:

- 4 funded neighborhood plans
 - Broad Creek
 - Fairmount Park
 - Southside
 - Wards Corner
- 5 plans adopted since 2004 (2 as part of *plaNorfolk2030*)
 - Downtown
 - Central Hampton Boulevard Area
 - Military Highway Corridor
 - East Little Creek Road Corridor (*plaNorfolk2030*)
 - Greater Norview Area (*plaNorfolk2030*)
- 10 neighborhoods with actions retained in *plaNorfolk2030*
 - Colonial Place-Riverview
 - Cottage Line
 - East Ocean View
 - Fort Norfolk-EVMS
 - Greater Ghent
 - Huntersville
 - Mid-Town Industrial
 - Park Place
 - West Ocean View
 - Willoughby
- 20 NRHA conservation/redevelopment plans still active

Details:

The following materials provide an overview of the various citywide neighborhood plan goals.

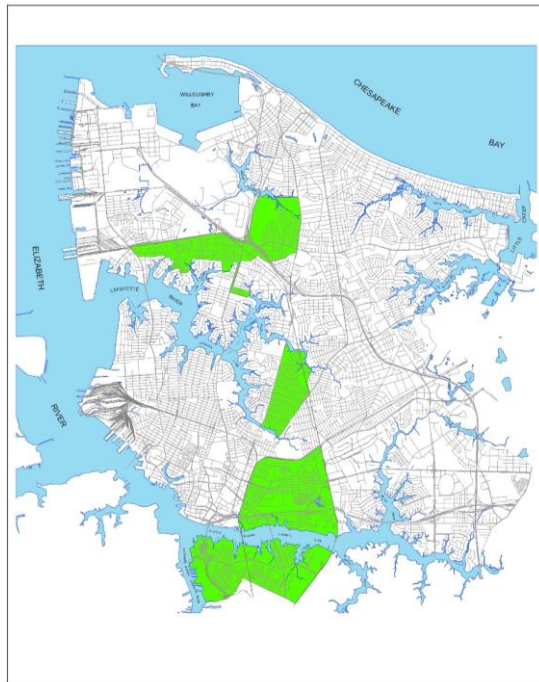
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Neighborhood Plans

City Council Retreat
September 23-24, 2013

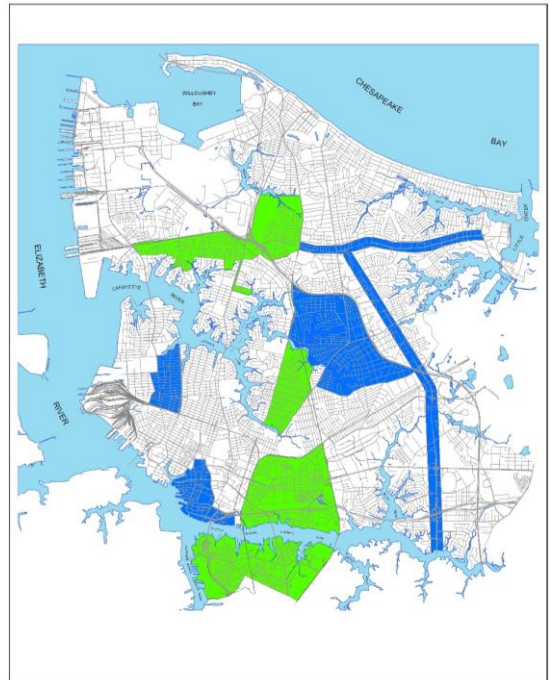
Funded Neighborhood Plans

- Southside
- Broad Creek
- Fairmount Park
- Greater Wards Corner



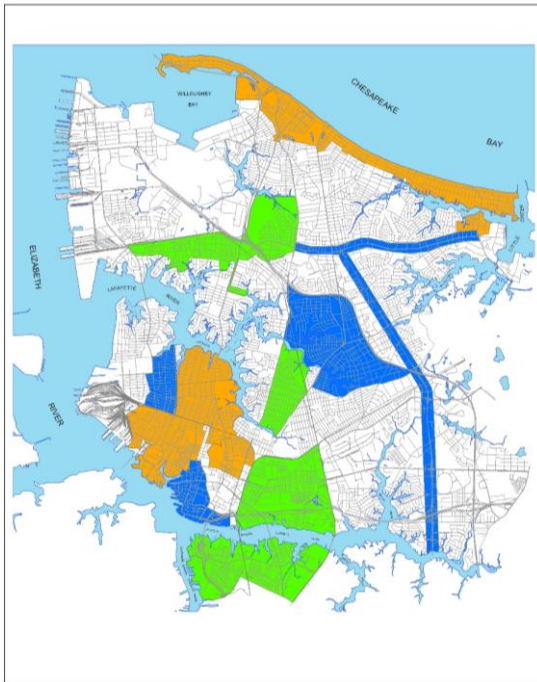
Plans Adopted Since 2004

- Downtown
- Central Hampton Boulevard Area
- Military Highway Corridor
- East Little Creek Road Corridor (*plaNorfolk2030*)
- Greater Norview Area (*plaNorfolk2030*)



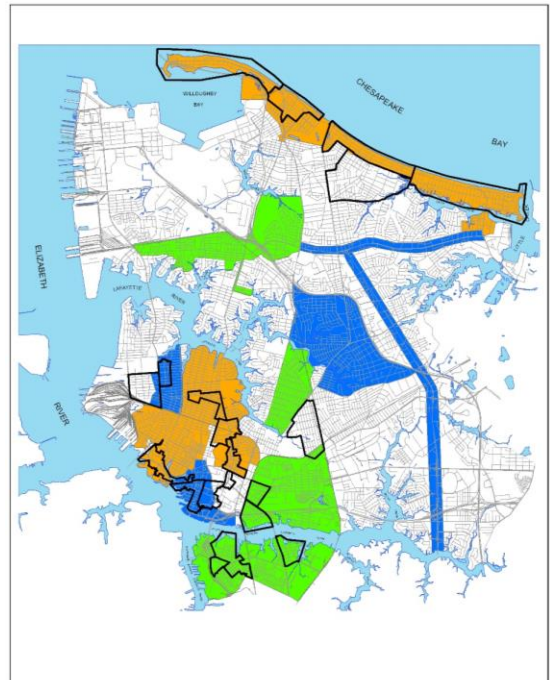
Plans Retained in *plaNorfolk2030*

- Colonial Place-Riverview
- Cottage Line
- East Ocean View
- Fort Norfolk-EVMS
- Greater Ghent
- Huntersville
- Mid-Town Industrial
- Park Place
- West Ocean View
- Willoughby



NRHA Plans in Effect

- Atlantic City
- Ballentine Place
- Bayview
- Berkley III
- Berkley IV
- Campostella Heights
- Central Brambleton
- Church Street
- Cottage Line
- Downtown North
- Downtown West
- East Ocean View
- Hampton Boulevard
- Huntersville II
- Lamberts Point
- Mid-Town
- Industrial Area
- Park Place
- South Brambleton
- West Ocean View
- Willoughby



CIP Neighborhood Plan Funding

Fiscal Year	Four Neighborhood Plan Areas*	NRHA Plan Areas
FY 2014 Approved	\$4.25 million	\$2.1 million
FY 2015 Planned	\$0	\$2.5 million

Project	FY 2014 Funding	FY 2015 Planned Funding
Broad Creek	\$1.0 million	\$0
Fairmount Park	\$750,000	\$0
Southside	\$1.0 million	\$0
Wards Corner	\$1.5 million	\$0
NRHA Plan Areas	\$2.1 million	\$2.5 million

*\$3.75 million administered by NRHA

plaNorfolk2030

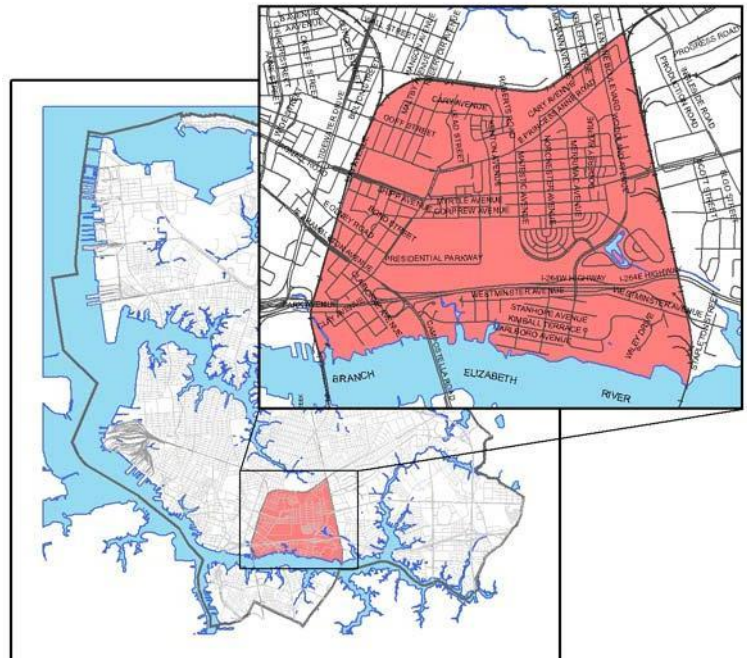
Neighborhoods Goal 5:

Continue the Implementation of Area Plans

ACTION N5.1.1. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE BROAD CREEK AREA.

- **N5.1.1(a). Support NRHA's continued development of new rental and homeownership units.**
- **N5.1.1(b). Support NRHA implementation of the redevelopment plan for Moton Circle.**
- **N5.1.1(c). Continue to support the revitalization of Grandy Village.**
- **N5.1.1(d). Work with NRHA on the development of a South Brambleton revitalization plan.**
- **N5.1.1(e). Develop a new library facility for the Broad Creek community, possibly in conjunction with a new elementary school.**
- **N5.1.1(f). Continue to support the Salvation Army's development of a Ray and Joan Kroc Corps Community Center in the Broad Creek community.**
- **N5.1.1(g). Prepare a master plan for Douglas Park and acquire properties, as appropriate, to assist in the implementation of the plan.**
- **N5.1.1(h). Initiate acquisition within the Spartan Village neighborhood in order to assist with the implementation of improved area-wide stormwater controls.**
- **N5.1.1(i). Continue to evaluate and implement flood protection alternatives in the Spartan Village area as a city priority.**

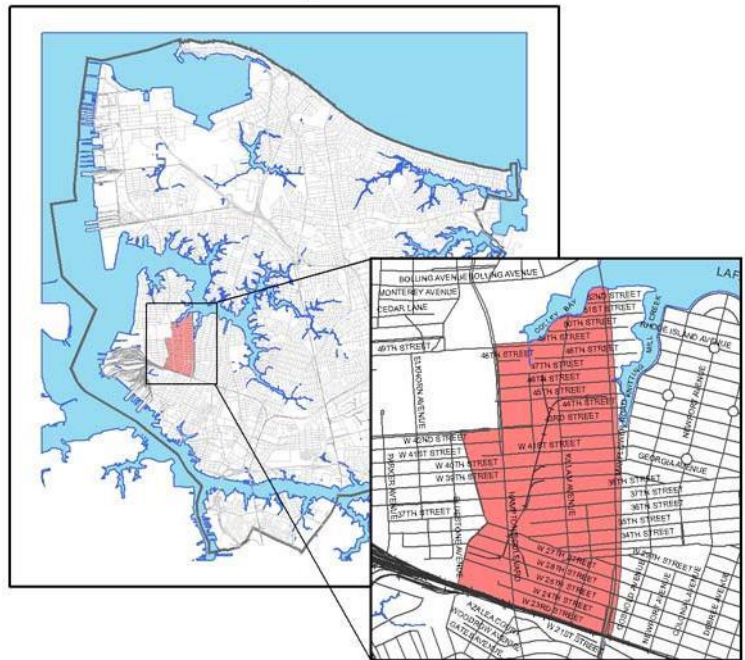
Broad Creek Area



ACTION N5.1.2. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE CENTRAL HAMPTON BOULEVARD AREA.

- **N5.1.2(a).** Revise regulations to require that new non-residential buildings be at least two stories.
- **N5.1.2(b).** Revise regulations to require that retail and commercial uses have strong ground-floor visual and access connections to the sidewalk, with walkability and sense of place as a priority.
- **N5.1.2(c).** Continue to implement the Hampton Boulevard Improvement Project (HBIP) with lane and signal improvements, sidewalks, landscaping and burial of utilities.
- **N5.1.2(d).** Develop access management plans for Hampton Boulevard and the 26th Street industrial corridor in conjunction with property owners.
- **N5.1.2(e).** Require the installation of additional street trees, wider verges, and other planting strip vegetation, with streetscape improvements on Hampton Boulevard, Killam Avenue, and Colley Avenue a priority.
- **N5.1.2(f).** Explore the possibility of on-street parking where absent.
- **N5.1.2(g).** Evaluate traffic calming measures, such as neckdowns, to prevent cut-through traffic on neighborhood streets where needed.
- **N5.1.2(h).** Study transit travel patterns and demand to identify potential service enhancements, including improved signage and bus shelters, and coordinate service timing, routes, stops and information between HRT and ODU shuttle services.
- **N5.1.2(i).** Revise development regulations to restrict the location of parking areas to the side or rear of buildings and ensure building entrances front onto a public right-of-way to ensure a pedestrian orientation.
- **N5.1.2(j).** Revise development regulations to ensure active uses around parks and plazas, encourage retail awnings over sidewalks and street tree species that provide shade.
- **N5.1.2(k).** Engage the local community in the development of gateway treatments at major entry points using public art, street trees and other landscaping elements.
- **N5.1.2(l).** Engage local artists to create unique enhancements to streets and parks, particularly at entrance points to the Central Hampton Boulevard Area.
- **N5.1.2(m).** Encourage the development of a wayfinding program by ODU in the vicinity of the University and University Village.
- **N5.1.2(n).** Develop a PCO for North Colley Avenue.

Central Hampton Boulevard Area

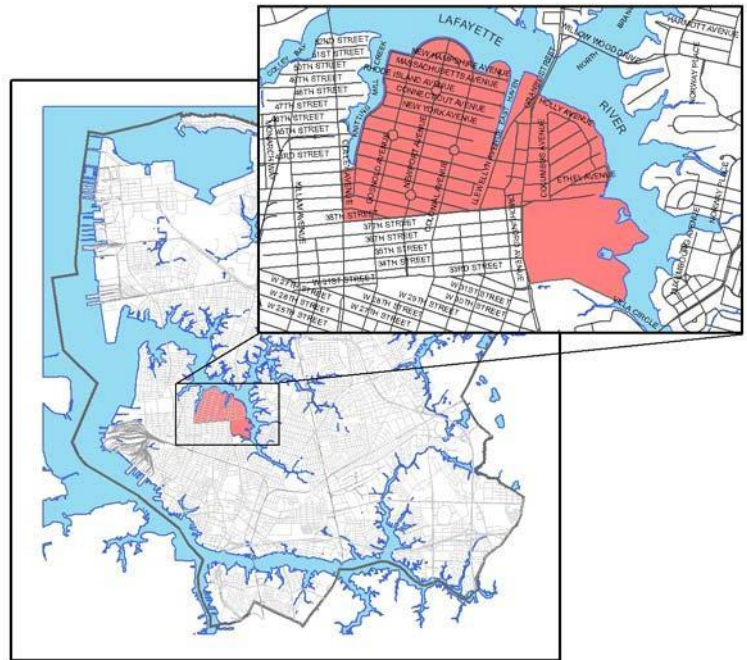


- **N5.1.2(o). Revitalize North Colley commercial areas by improving public infrastructure and providing grant funding for aesthetic improvements of commercial properties.**
- **N5.1.2(p). Develop a special purpose zoning district for Knitting Mill Creek, working with civic leagues, property owners, and businesses to identify preferred uses and standards.**
- **N5.1.2(q). Work with businesses to find appropriate relocation sites, preferably in the 26th Street industrial, research, and office district or elsewhere within Norfolk.**
- **N5.1.2(r). Revise development regulations to ensure that buildings and landscaping contribute to the character of the neighborhoods and the form of public open spaces, including streets.**
- **N5.1.2(s). Support ODU's development of the southern phase of University Village, while encouraging retail uses in the area that appeal to the broader community.**

ACTION N5.1.3. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE COLONIAL PLACE-RIVerview AREA.

- **N5.1.3(a). Market the Riverview Village area as a location of specialty stores as a means of attracting small, independent retailers.**
- **N5.1.3(b). Encourage the reuse of the Riverview Theater as a component of the redevelopment of the area along Granby Street south of 41st Street.**
- **N5.1.3(c). Continue to support improvements to the pedestrian environment in Riverview Village through zoning, such as the Pedestrian Commercial Overlay, incentives, and capital improvements.**

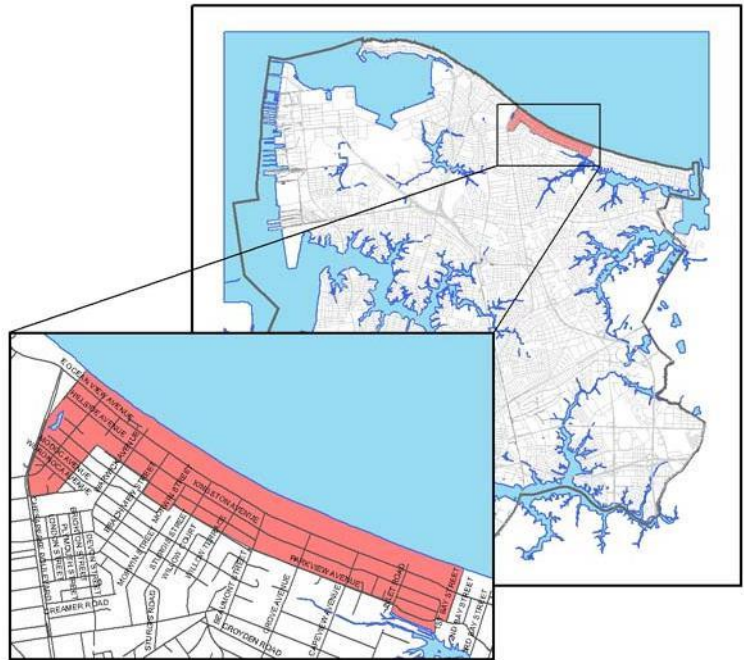
Colonial Place-Riverview Area



ACTION N5.1.4. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE COTTAGE LINE AREA.

- **N5.1.4(a). Encourage mixed use development along East Ocean View Avenue between Chesapeake Street and the Ocean View Golf Course.**
- **N5.1.4(b). Revise development regulations to ensure that new buildings maintain the continuity of the street face.**
- **N5.1.4(c). Develop streetscape standards for East Ocean View Avenue appropriate for its intended purpose as a residential boulevard.**
- **N5.1.4(d). Develop a gateway overlay zoning district for East Ocean View Avenue, between Cape View Avenue and Chesapeake Boulevard.**
- **N5.1.4(e). Develop a system of pedestrian and bicycle paths to improve connections to Community Beach Park, Ocean View Golf Course, and Lake Modoc.**

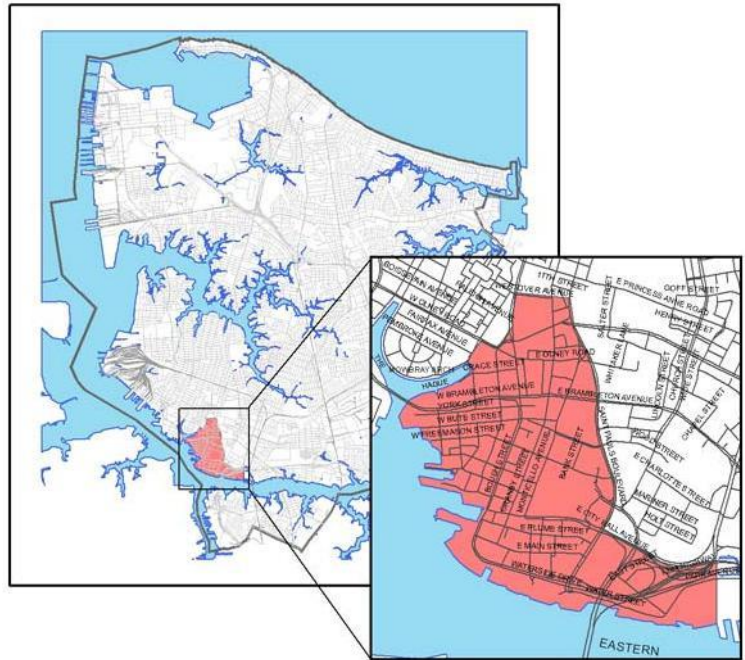
Cottage Line Area



ACTION N5.1.5. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE DOWNTOWN AREA.

- **N5.1.5(a). Improve pedestrian crossings of Waterside Drive, Brambleton Avenue, and St. Paul's Boulevard.**
- **N5.1.5(b). Extend the esplanade from Town Point Park to Harbor Park and ensure that the design accommodates bicycles.**
- **N5.1.5(c). Install a memorial at City Hall to commemorate the End of Massive Resistance.**
- **N5.1.5(d). Develop the new Col. Samuel Slover Norfolk Main Library, the new Courthouse Complex, and the Multi-Modal Transfer Station at Harbor Park.**
- **N5.1.5(e). Support the expansion of the Chrysler Museum.**
- **N5.1.5(f). Revise parking regulations in the area north of Brambleton Avenue.**
- **N5.1.5(g). Support the creation of an "Arts District" in the area north of Brambleton Avenue, between St. Paul's Boulevard and the Chrysler Museum, by making regulatory changes to encourage the appropriate mix of uses.**

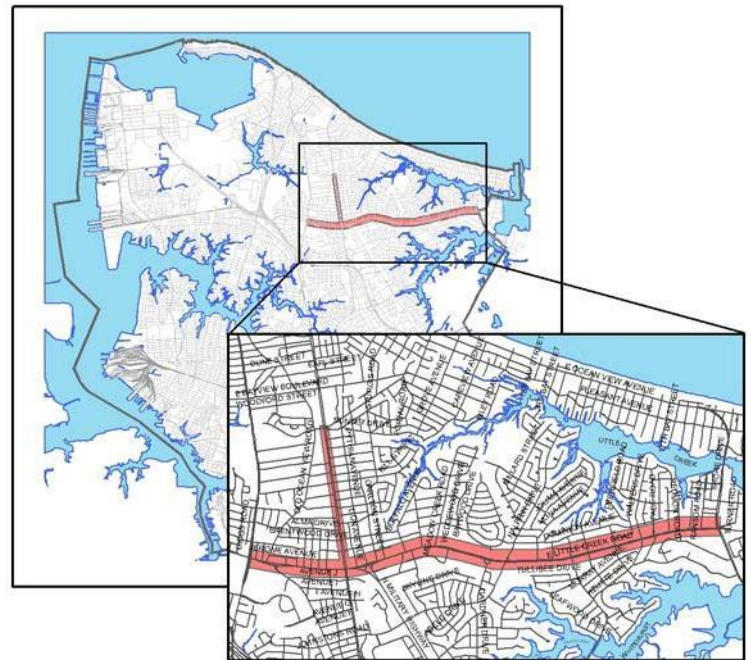
Downtown Area



ACTION N5.1.6. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE EAST LITTLE CREEK ROAD CORRIDOR.

- **N5.1.6(a). Establish an East Little Creek Road Task Force to guide future organizational, regulatory, marketing, and financial decisions along the corridor.**
- **N5.1.6(b). Work with the East Little Creek Road Task Force to explore the development of a branding theme that could be applied throughout the corridor to define it as a place.**
- **N5.1.6(c). Work with the East Little Creek Road Task Force to identify areas for appropriately scaled commercial uses consistent with action LU1.2.5.**
- **N5.1.6(d). Revitalize the East Little Creek Road commercial areas by continuing to provide grant funding for aesthetic improvements of commercial properties.**
- **N5.1.6(e). Encourage redevelopment of the commercial area between Chesapeake Boulevard and Sewells Point Road.**
- **N5.1.6(f). Identify and pursue acquisition and demolition of targeted properties on both sides of East Little Creek Road.**
- **N5.1.6(g). Develop a streetscape plan for the East Little Creek Road corridor between Meadow Creek Road and Sewells Point Road.**
- **N5.1.6(h). Encourage stronger transit, bicycle, and pedestrian linkages throughout the East Little Creek Road commercial areas and along Chesapeake Boulevard between East Little Creek Road and Fisherman's Road.**
- **N5.1.6(i). Ensure that Tarrallton Park is accessible to both pedestrians and bicyclists from the intersection of East Little Creek Road and Halprin Drive.**
- **N5.1.6(j). Explore options for improving access to the L. C. Page Branch Post Office.**
- **N5.1.6(k). Develop a gateway overlay zoning district for the intersection of Shore Drive and East Little Creek Road.**
- **N5.1.6(l). Improve pedestrian and bicycle crossings of East Little Creek Road at its intersection with Halprin Drive.**

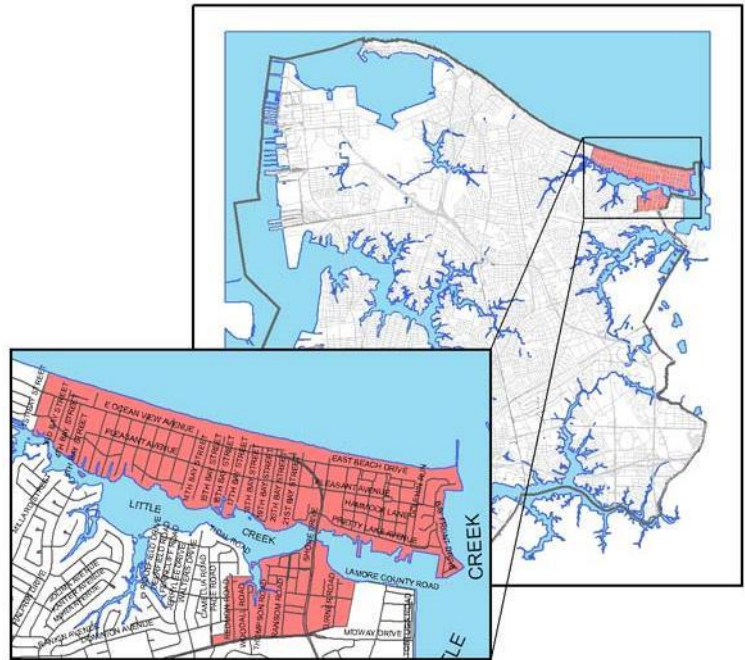
East Little Creek Road Corridor



ACTION N5.1.7. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE EAST OCEAN VIEW AREA.

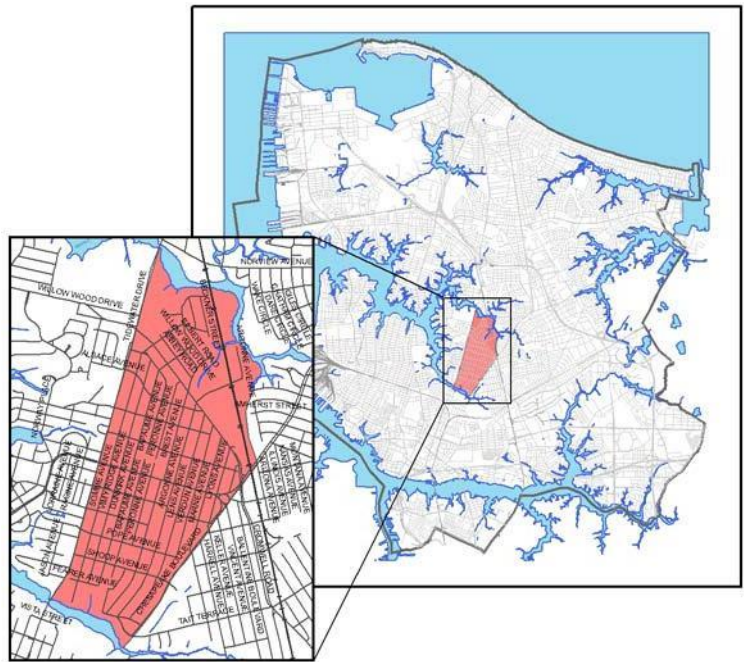
- **N5.1.7(a).** Encourage neighborhood-oriented commercial activities along Shore Drive and the shores of Pretty Lake east of the Shore Drive Bridge.
- **N5.1.7(b).** Encourage redevelopment of the shopping center at Shore Drive and Pretty Lake Avenue.
- **N5.1.7(c).** Encourage development of commercial uses on Shore Drive south of Pretty Lake that are compatible with and complement the adjacent waterfront uses.
- **N5.1.7(d).** Acquire the large parking lot east of Shore Drive and south of Pretty Lake so that it may be redeveloped as a waterfront marina.
- **N5.1.7(e).** Revise development regulations governing building height and separation to ensure maintenance of views to the Chesapeake Bay and Pretty Lake, and to provide opportunities for access to the water.
- **N5.1.7(f).** Develop a gateway overlay zoning district for the intersection of Shore Drive and East Little Creek Road.
- **N5.1.7(g).** Revise development regulations to encourage the development of affordable infill housing, utilizing appropriate design criteria, in the area north of Pretty Lake.
- **N5.1.7(h).** Develop streetscape standards for East Ocean View Avenue appropriate for its intended purpose as a residential boulevard.
- **N5.1.7(i).** Develop streetscape standards for Shore Drive, south of Pretty Lake, appropriate for its intended purpose as a waterfront commercial area.
- **N5.1.7(j).** Revitalize Shore Drive commercial areas by improving public infrastructure and providing grant funding for aesthetic improvements of commercial properties.
- **N5.1.7(k).** Continue to evaluate and implement flood protection alternatives in the East Ocean View area as a city priority.
- **N5.1.7(l).** Consider potential waterway conflicts with military operations when evaluating development proposals in the Little Creek/Fisherman's Cove area.
- **N5.1.7(m).** Improve public infrastructure on streets west of Shore Drive, evaluating the need for sidewalks, stormwater facilities, and street improvements.

East Ocean View Area



ACTION N5.1.8. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS IN THE FAIRMOUNT PARK AREA.

Fairmount Park Area

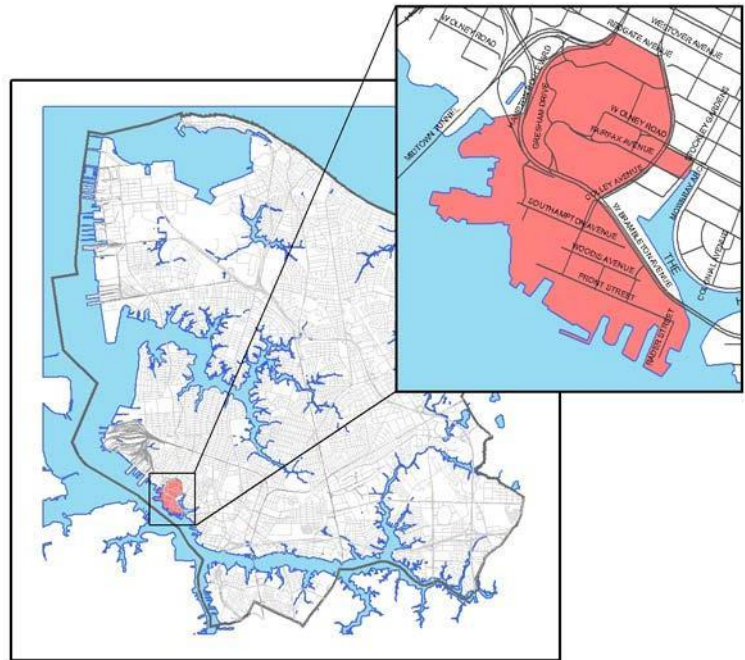


- **N5.1.8(a). Support paper street closures to provide for side yards and opportunities for infill.**
- **N5.1.8(b). Encourage local banks and lending institutions to develop community partnerships to provide special support to residents and buyers.**
- **N5.1.8(c). Consider restricting on-street parking to one side of the street to reduce the impact of parking on traffic flow.**
- **N5.1.8(d). Work with the Army Corps of Engineers to develop a plan for improving the area at the end of Somme Avenue for pedestrian enjoyment as a part of a wetlands mitigation project.**
- **N5.1.8(e). Develop special recreational programming targeted to residents in and around Fairmount Park.**
- **N5.1.8(f). Explore the feasibility of developing a pedestrian connector linking Shoop and Barraud Parks, including walkways along the Lafayette River.**
- **N5.1.8(g). Develop gateway treatments for the Lafayette Boulevard Triangle, Cromwell Drive at Tidewater Drive, Tidewater Drive at Shoop Avenue, and Lafayette Boulevard at Tidewater Drive.**
- **N5.1.8(h). Support the organization of an area business association.**
- **N5.1.8(i). Market the commercial areas of the neighborhood to new community oriented retailers and service interests.**
- **N5.1.8(j). Support NRHA acquisition of land necessary for new development opportunities.**
- **N5.1.8(k). Support NRHA acquisition of underutilized properties on the southeast corner of Tidewater Drive and Lafayette Boulevard for potential conversion to retail uses.**
- **N5.1.8(l). Develop an attractive community gathering place in the vicinity of the intersection of Lafayette Boulevard and Brest Avenue.**
- **N5.1.8(m). Support rehabilitation of residential developments along Lafayette Boulevard.**

ACTION N5.1.9. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE FORT NORFOLK-MEDICAL CENTER AREA.

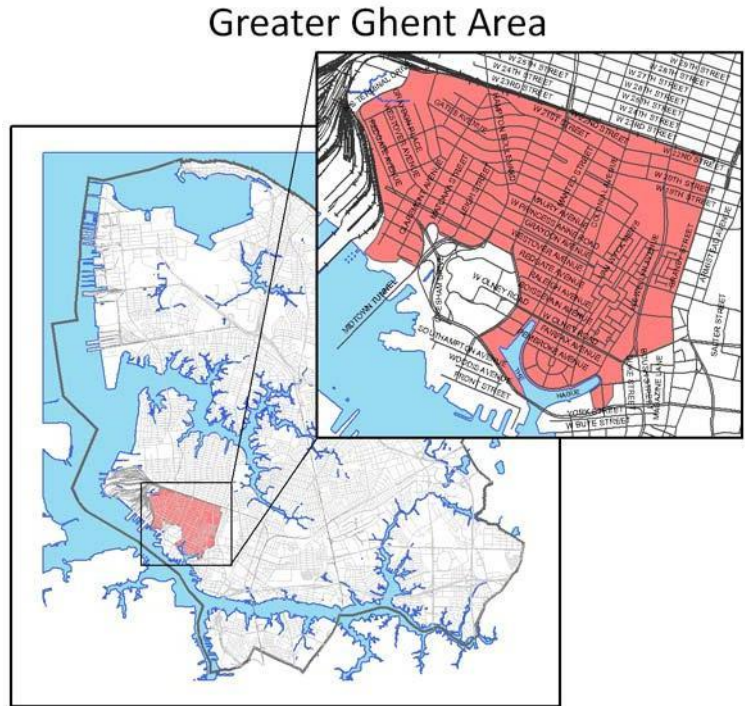
- **N5.1.9(a). Revise development regulations to require building heights to step down to the water to maintain views.**
- **N5.1.9(b). Ensure that the waterfront area is accessible to both pedestrians and bicyclists.**
- **N5.1.9(c). Encourage stronger transit, pedestrian, and bicycle connections from Fort Norfolk to Ghent.**

Fort Norfolk-EVMS Area



ACTION N5.1.10. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE GREATER GHENT AREA.

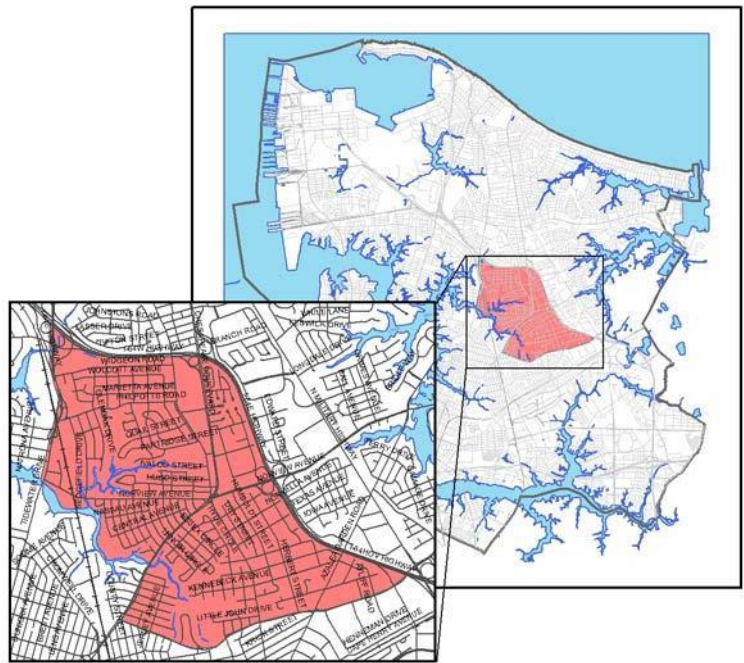
- **N5.1.10(a).** Create a promenade linking Harrison Opera House with the Chrysler Museum.
 - **N5.1.10(b).** Explore the feasibility of a Business Improvement District (BID).
 - **N5.1.10(c).** Encourage stronger transit, bicycle, and pedestrian linkages from Ghent to Downtown Norfolk and Fort Norfolk.
 - **N5.1.10(d).** Utilize historic district design guidelines to ensure the development of appropriately designed new buildings, and promote the appropriate maintenance and rehabilitation of existing structures in the Ghent historic district.
 - **N5.1.10(e).** Continue to evaluate and implement flood protection alternatives in the Hague area as a city priority.
-



ACTION N5.1.11. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE GREATER NORVIEW AREA.

- **N5.1.11(a). Work to attract new businesses to the district that would improve pedestrian use of Sewells Point Road.**
- **N5.1.11(b). Encourage the improvement of the existing post office and its parking lot.**
- **N5.1.11(c). Evaluate the traffic pattern at the interchange of Chesapeake Boulevard with Interstate 64.**
- **N5.1.11(d). Working with property owners, create opportunities for commercial redevelopment in Five Points through land assembly and acquisition.**
- **N5.1.11(e). Study and implement traffic circulation improvements on Chesapeake Boulevard, north of the Five Points intersection, to improve safety, access, and circulation for commercial properties.**
- **N5.1.11(f). Implement the streetscape plan for Sewell's Point Road to provide an attractive environment for development of neighborhood serving commercial establishments.**

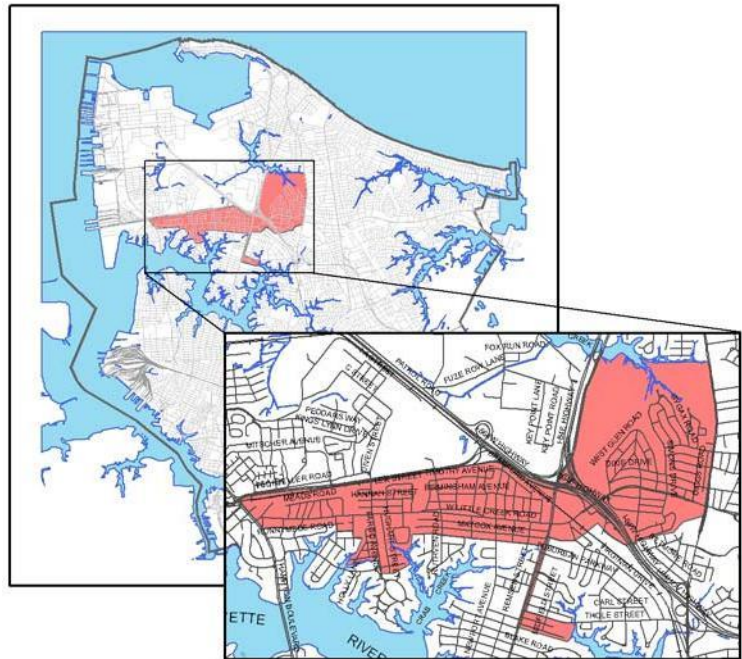
Greater Norview Area



ACTION N5.1.12. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE GREATER WARDS CORNER AREA.

- **N5.1.12(a). Identify and pursue acquisition and demolition of properties on both sides of East Little Creek Road.**
- **N5.1.12(b). Encourage townhomes and market-rate rentals in residentially-designated areas along East Little Creek Road.**
- **N5.1.12(c). Support relocation of the head-in parking in the Titustown retail area in order to facilitate streetscape improvements and the use of the parking lots located at the rear of the retail buildings.**
- **N5.1.12(d). Support the redevelopment of commercial properties at the intersection of Granby Street and Little Creek Road.**
- **N5.1.12(e). Continue to monitor traffic conditions at the intersection of East Little Creek Road and Virginian Drive to ensure that appropriate traffic conditions are maintained.**
- **N5.1.12(f). Consolidate and relocate points of access in the commercial areas along Granby Street and Little Creek Road.**
- **N5.1.12(g). Improve pedestrian connections throughout the Wards Corner commercial areas.**

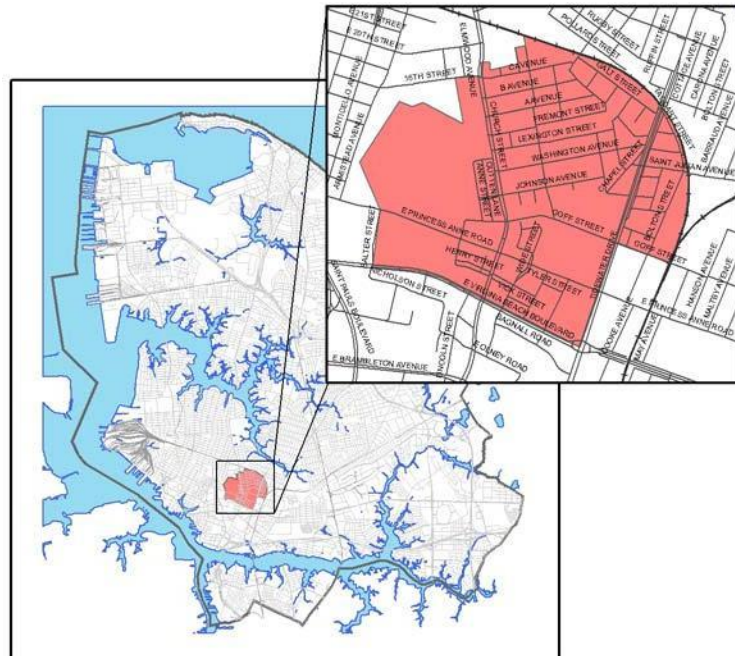
Greater Wards Corner Area



ACTION N5.1.13. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE HUNTERSVILLE AREA.

- **N5.1.13(a). Develop and implement a streetscape plan to improve the appearance of Tidewater Drive.**
- **N5.1.13(b). Evaluate possible alternatives for extending light rail from Downtown to the north along Church Street.**

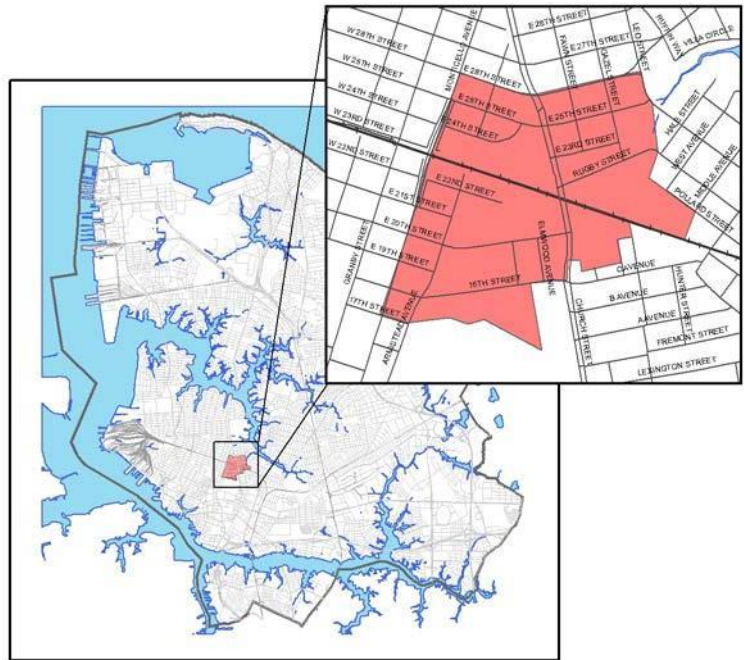
Huntersville Area



ACTION N5.1.14. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE MID-TOWN INDUSTRIAL AREA.

- **N5.1.14(a). Explore making Fawn and Gazel Streets two-way streets.**
- **N5.1.14(b). Market underutilized warehouse spaces for reuse.**

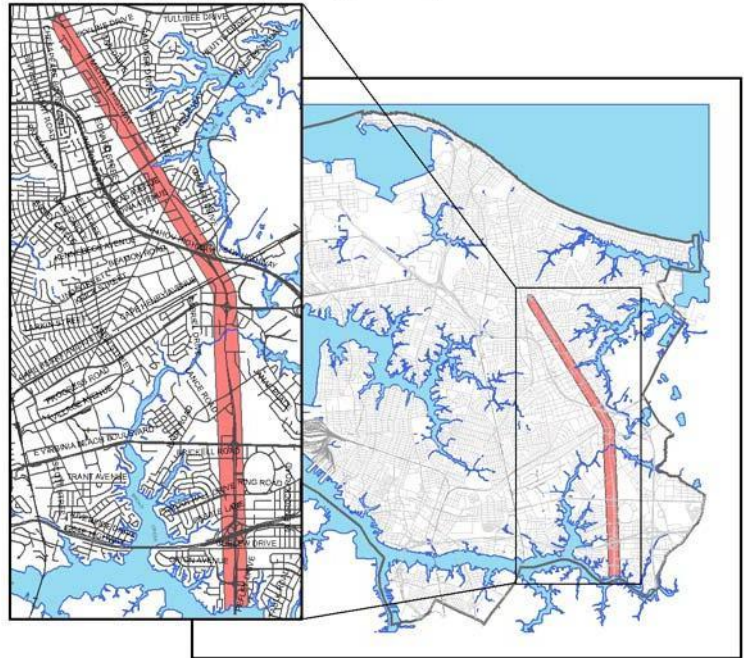
Mid-Town Industrial Area



ACTION N5.1.15. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE MILITARY HIGHWAY CORRIDOR.

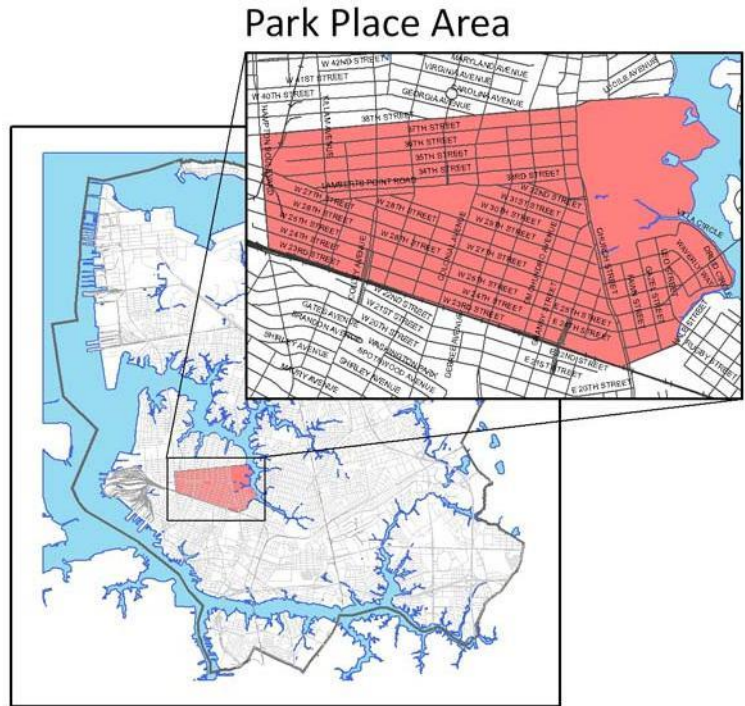
- **N5.1.15(a). Establish a Military Highway Corridor District Task Force to guide future organizational, regulatory, marketing, and financial decisions along the corridor.**
- **N5.1.15(b). Work with the Military Highway Corridor District Task Force to explore the development of a branding theme that could be applied throughout the corridor to define it as a place.**
- **N5.1.15(c). Support the redevelopment of the shopping center at the southwest corner of North Military Highway and Poplar Hall Drive, the shopping center at the northeast corner of North Military Highway and Norview Avenue, and the flea market site on the east side of North Military Highway near Lynn Street.**
- **N5.1.15(d). Develop a streetscape plan for the Military Highway corridor that can be implemented in conjunction with roadway improvements.**
- **N5.1.15(e). Revitalize Military Highway commercial areas by providing grant funding for aesthetic improvements of commercial properties.**
- **N5.1.15(f). Support the continued roadway improvements to North Military Highway from Lowery Road to Interstate 64.**

Military Highway Corridor



ACTION N5.1.16. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE PARK PLACE AREA.

- **N5.1.16(a).** Do not permit fast food restaurants with drive-throughs and businesses that sell alcohol for off-premise consumption.
- **N5.1.16(b).** Evaluate the potential conversion of Llewellyn and Colonial Avenues to 2-lane roadways with raised medians.
- **N5.1.16(c).**
 - Develop
 - streetscape plans for Granby Street, Colonial Avenue, and Llewellyn Avenue.
- **N5.1.16(d).** Work with Norfolk Public Schools to evaluate the creation of an early childhood center at the Monroe Elementary School site.

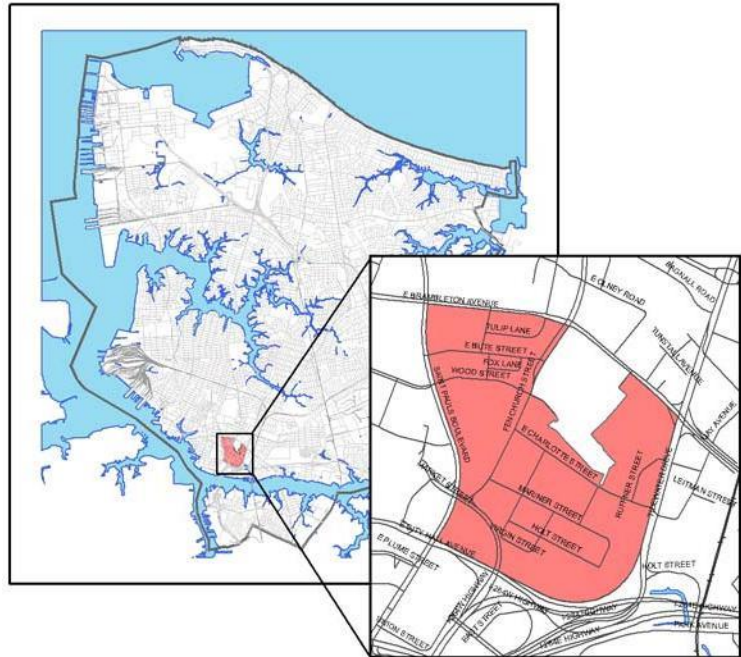


ACTION N5.1.17. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE ST. PAUL'S AREA.

- **N5.1.17(a).** Replace public housing units in Tidewater Gardens on a one-for-one basis.
- **N5.1.17(b).** Ensure tenant relocation that is sensitive to resident needs.

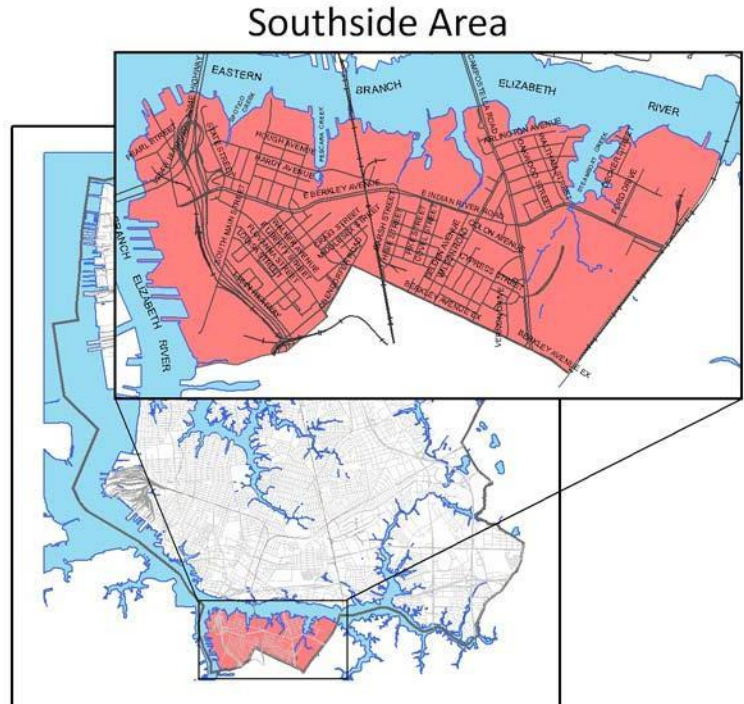
St. Paul's Area

- **N.5.1.17(c).** Provide a housing mix matching the anticipated demographic profile of future public housing households in St. Paul's.
- **N.5.1.17(d).** Develop partnerships to facilitate the implementation of redevelopment in the St. Paul's area.
- **N.5.1.17(e).** Create a development program that outlines necessary infrastructure for redevelopment of the St. Paul's area and determine funding needs.
- **N.5.1.17(f).** Create a feasible financing strategy for the redevelopment of the St. Paul's area.
- **N.5.1.17(g).** Develop a feasible phasing strategy for the redevelopment of the St. Paul's area.
- **N.5.1.17(h).** Develop St. Paul's as a mixed-use, mixed-income neighborhood.
- **N.5.1.17(i).** Create a human capital plan, family-based case management, a workforce development strategy, an education and youth development initiative, and comprehensive health programs.
- **N.5.1.17(j).** Provide recreation and open space opportunities throughout St. Paul's.
- **N.5.1.17(k).** Develop necessary stormwater infrastructure, utilizing green design wherever possible, while coordinating with citywide stormwater initiatives.
- **N.5.1.17(l).** Improve community form in St. Paul's through site placement, massing, and other design aspects of buildings that address their urban setting, while embracing churches and civic buildings as landmarks, providing a network of complete streets, and incorporating public art throughout.
- **N.5.1.17(m).** Reconnect the missing links in the transportation infrastructure of the St. Paul's area, including improved connections at the perimeter and improved bicycle and transit access.
- **N.6.1.17(n).** Remove barriers to pedestrian mobility in the St. Paul's area and ensure a safe and inviting walking environment throughout.



ACTION N5.1.18. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE SOUTHSIDE AREA.

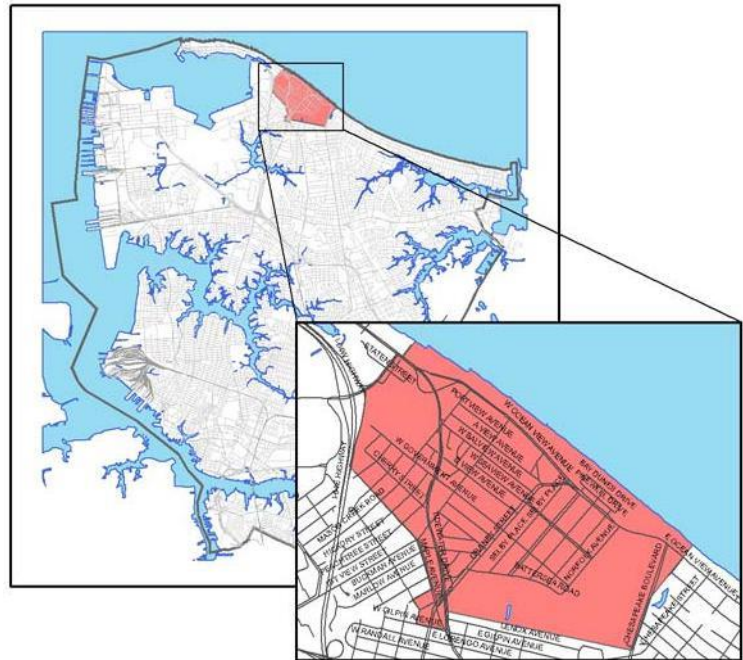
- **N5.1.18(a). Evaluate the reuse of the Campostella Landfill site as a potential recreational amenity.**
- **N5.1.18(b). Support the redevelopment of the salvage yard on East Indian River Road as a new industrial park.**
- **N5.1.18(c). Remove the damaged Steamboat Creek (Springfield Avenue) Bridge.**
- **N5.1.18(d). Ensure public access to the water by incorporating public walking trails in the redevelopment of the land on the east and west sides of the Campostella Bridge.**
- **N5.1.18(e). Study the feasibility of creating a walking trail linking the neighborhoods south of East Indian River Road to the Indian River Creek.**
- **N5.1.18(f). Develop a streetscape plan for the Campostella Road and Wilson Road corridors, paying special attention to the intersections of Campostella Road and Wilson Road, and Wilson Road and Indian East Indian River Road.**
- **N5.1.18(g). Develop streetscape plans for the portion of South Main Street north of Berkley Avenue.**
- **N5.1.18(h). Revitalize Campostella Road commercial areas by providing grant funding for aesthetic improvements of commercial properties.**
- **N5.1.18(i). Facilitate the organization of a business association in Southside to promote retail development.**
- **N5.1.18(j). Continue to support the annual Berkley Neighborhood Reunion and other community-based activities.**



ACTION N5.1.19. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE WEST OCEAN VIEW AREA.

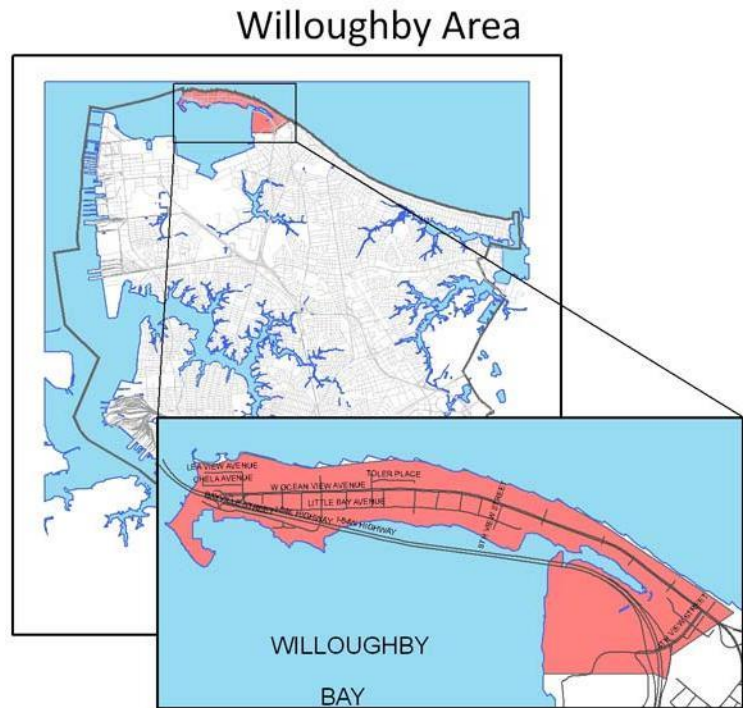
- **N5.1.19(a). Support the application of mixed-use zoning in the area on the south side of West Ocean View Avenue, between 1st View Street and Mason Creek Road, in order to encourage the development of a pedestrian-friendly “town center”.**
- **N5.1.19(b). Explore opportunities to modify the existing Tidewater Drive terminus in order to create a park setting west of Mason Creek Road.**
- **N5.1.19(c). Improve the entrances to Community Beach Park and Sarah Constant Park.**
- **N5.1.19(d). Explore opportunities to provide connections between the Ocean View Golf Course and Community Beach Park, such as redevelopment of the “senior center” site.**

West Ocean View Area



ACTION N5.1.20. CONTINUE TO IMPLEMENT THE FOLLOWING ACTIONS FOR THE WILLOUGHBY AREA.

- **N5.1.20(a). Support renovation of traditional cottages.**
- **N5.1.20(b). Revise development regulations in the area south of West Ocean View Avenue, restricting building heights to no more than three stories except along the West Ocean View Avenue frontage.**
- **N5.1.20(c). Improve the intersection of West Ocean View Avenue and 4th View Street.**
- **N5.1.20(d). Enhance truck movements from the I-64 interchange at 15th View Street by improving Bayville Street and the intersection of West Ocean View Avenue and 13th View Street.**
- **N5.1.20(e). Work with the Navy to evaluate potential reuse opportunities of the federally-owned land at 4th View Street.**



Council Strategy Discussion and Direction

Community Engagement

Executive Summary

Topic: Community Engagement

Description: The City of Norfolk participates in a variety of community focused initiatives. The Norfolk Police Department (NPD) and the Communications and Technology Department participate and partner with the community on a variety of programs including: Neighbors Building Neighborhoods, NPD Youth Academy, and National Night Out.

Analysis: Community participation from neighborhoods and civic leagues is necessary to create sustainable change. There may never be enough funding to “cure” all community ailments, but through community participation and engagement residents of all ages can be the catalyst for change.

Financial Impact: These programs occur in collaboration with community partners and are carried out within existing resources.

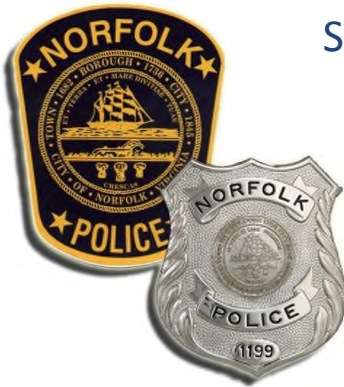
Recommendation(s): A focus on community engagement impacts the internal and external workings of the city. From the Neighbors Building Neighborhood Initiative to the collaborative efforts of National Night Out, the community engagement philosophy breaks down silos throughout the community. The city plans to continue these successes and will continue to build and strengthen partnerships with neighborhoods and residents.

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Community Engagement

Norfolk Police Department Community Outreach

City Council Retreat
September 23-24, 2013



Outreach through Civic and Neighborhood Leagues

- Norfolk Police engage residents through regular attendance of monthly civic and neighborhood league meetings
- Officers provide crime reports, crime prevention tips, and address community questions and concerns

Outreach through CrimeView Community

- Interactive mapping program allows citizens to search the city by address, civic league, and landmark for certain types of crimes over the previous 90 days
- Citizens may sign up for crime alerts from CrimeView Community by providing their email address
- The crime alert can be by neighborhood and type of crime

Outreach through Social Media

- Engage residents through social media such as:
 - Facebook
 - Twitter
 - MYPD
 - City's website
- Residents are encouraged to...
 - Comment and or ask questions
 - Attend events and functions
 - Graduations, memorial services, award ceremonies, youth academy graduations, and promotional ceremonies

Outreach through Business Watch

- The Business Watch is comprised of merchants, business owners, retail managers, and property managers
- The Crime Prevention Unit works closely with Members of the Business Watch to discuss crime trends and crime prevention strategies

Outreach through National Night Out

- National Night an annual event that encourages the entire city to come together for crime prevention
- Each year, hundreds of residents interact with police and city officials in an informal environment
- Police Department works in partnership with the host civic or neighborhood league in the planning of the event at least six to nine months prior to the summer event
- Partnership includes businesses who want to donate services to the event

Outreach through NPD Youth Academy

- Youth Academies are held throughout the city for youth ages six to fifteen
- Officers provide a variety of activities that focus on gang awareness, improving self-esteem, and career building
- The academies offer youth opportunities to interact and build mentoring relationships with officers

Outreach through Police Athletic League and Bike Rodeos

- Badges for Baseball kicks off in the spring of each year and continues throughout the summer
 - Partners with the Department of Recreation, Parks, and Open Spaces
 - Fosters positive mentoring relationships between youth and officers
 - Includes trips to local and professional games
 - Allows at risk youth to participate in physical exercise and field trips during the camp
- The Crime Prevention Unit also hosts “Bike Rodeo’s ”
 - Occurs two to four times per year to youth of all ages
 - Teaches cycling safety
 - Registers bicycles
 - Donates bike safety helmets

Outreach through NRHA Football and Basketball

- Officers assigned to work in Norfolk Redevelopment and Housing Authority (NRHA) communities, organize, host, and play football and basketball tournaments two to three times a year
 - Positively engage with male youths who reside in these communities
- Officers provide coaching and mentoring during practice sessions, while also encouraging physical exercise and its long-term health benefits

Outreach through Chess, Weightlifting, and Soccer Workshops

- Officers provide knowledge and skills to youth who enjoy chess, weightlifting, and soccer
- Workshops are organized by Community Resource Officers (CROs) and School Resource Officers (SROs) at school and city facilities throughout the school year

Outreach through Reading in Norfolk Public Schools (NPS)

- Throughout the school calendar year officers regularly visit elementary schools to read books to the students
- Efforts have shown that this interaction is generally the first positive engagement with officers and is used as an opportunity for students to ask questions

Outreach through Criminal Justice Explorers Academy

- Officers in the First Patrol Division work with NPS students who are interested in a law enforcement career at the Norfolk Technical Center
- Classes include presentations on gangs, Community Policing, Special Operations Team, Forensics, Robbery Investigations, and other related classes
- Partnership between the NPD and NPS fosters close mentorships between police instructors and students

Outreach through Citizens Police Academy

- Citizens receive training from various units within the department and gain a better understanding of how the department works
- Graduates continue their involvement through the Citizens Police Academy Alumni Association of Norfolk (CPAAAN)
- CPAAAN members provide support to the department at various police functions and events

Outreach through Crime Prevention Awards

- Ceremony takes place annually to recognize citizens and officers who make crime prevention a priority and uphold the philosophy of community policing

Officer Recruitment

- Currently working with Norfolk State University (NSU) and Tidewater Community College (TCC) to develop cooperative training programs
- Students would attend police training during the summer months over a two to four year period earning Department of Criminal Justice Services (DCJS) credits
- Successful candidates would complete law enforcement training upon graduation and be employed as police officers
- Recruiting teams actively recruit members of the Norfolk community via career fairs in neighborhoods, military installations, and college campuses

Council Strategy Discussion and Direction

Community Engagement

Finding solutions through collaboration

City Council Retreat
September 23-24, 2013



NEIGHBORS
BUILDING
Neighborhoods

History & Envisioning Process

- CZB (Charles Buki) Consulting: What hinders a neighborhood from succeeding?
 - Poor Public Perception and focusing on the negative

“[the neighborhoods] must turn around these realities and build on their **strengths**, investing in what already works and leveraging it towards neighborhood health”

- Goal: To create healthy neighborhoods



Old Vocabulary

- We can fix residents problems
- We can do it all
- We can build strong neighborhoods

New Vocabulary

- Engagement and inclusiveness
 - **Partner** genuinely – make the shift from “working for” to “working with”
- Identify and focus on **strengths** – find what’s working and encourage it
- **Target** resources – (financial and human) because they are limited
- **Confidence** building is the goal when working with neighborhoods

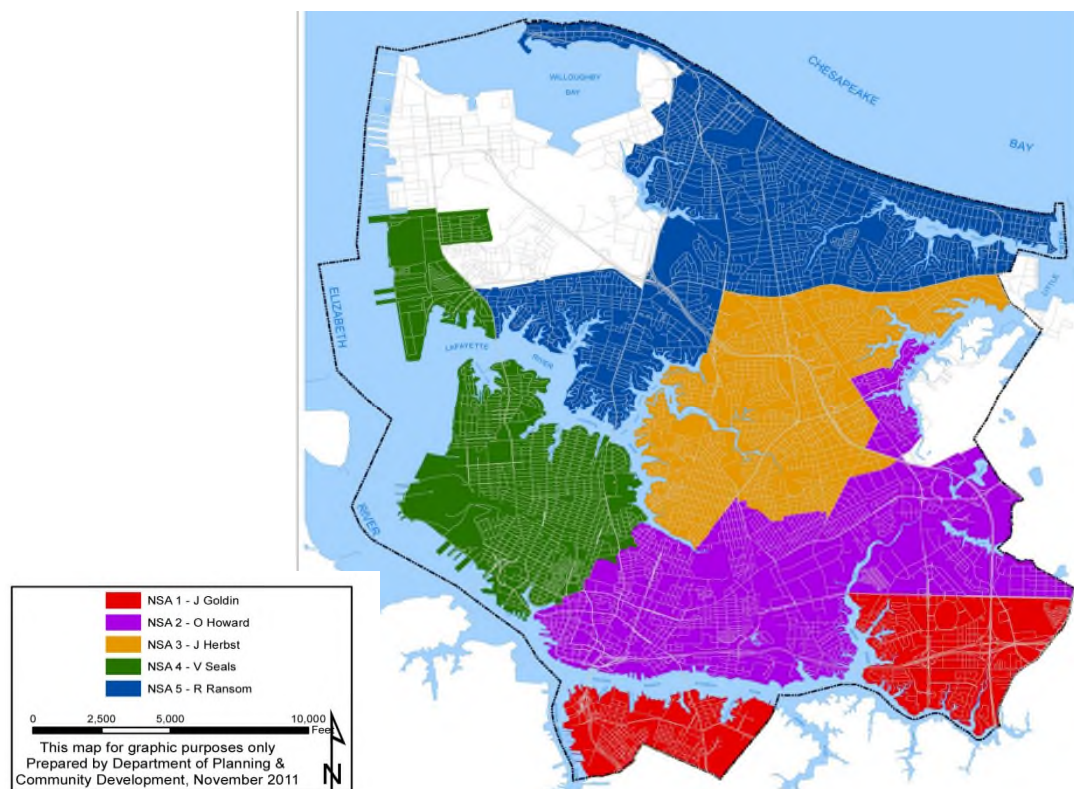
Changing Focus

- Strategic Approach to Task Forces
 - Effective, efficient – beyond “pot holes”
 - Future Based Conversations
- Ensure residents are involved in solutions
- Using discord to lead to better solutions
- Stop enabling “bad behavior”

Neighborhood Service Areas

- Five areas
- Primarily shaped around wards
- Supported by a Neighborhood Development Specialist

Neighborhood Service Areas



Changing Expectations

- **Consult:** Assist in developing ideas and initiatives that support safe, healthy, inclusive communities
- **Communicate:** Serve as link to engage the community and the City
- **Connect:** Build partnerships and relationships

Council Strategy Discussion and Direction

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Council Boards and Commissions

Executive Summary

Topic:	Council Boards and Commissions
Description:	The Administration has reviewed the current list of Council-appointed commissions and boards to understand how advisory bodies are created, populated, structured, and charged with specific duties and reporting requirements.
Analysis:	<p>The City Council and City Manager collectively appoint advisory entities for a variety of reasons, including: statutory requirement, access to community expertise, increased citizen participation, or resident leadership development.</p> <p>The current structure for establishing, populating, charging and receiving advice from council appointed advisory bodies is vague. City code gives little direction to the purpose and use of advisory bodies. The only reference for establishing advisory bodies appears in the Norfolk, Virginia—Code of Ordinances, City Charter—Miscellaneous Provisions §141 Power to appoint boards or commissions of citizens which states: <i>The council may at the request of the city manager appoint boards or commissions, to be composed of such number of citizens regardless of sex, as the council may deem expedient, to act in an advisory capacity in conjunction with any one or more of the departments created or authorized hereby. The members of all such boards and commissions shall serve without compensation.</i></p>
Financial Impact:	Staff time supporting each of the city's advisory entities. Level of support varies with each entity's level of activity with some entities supported by multiple staff and departments.
Recommendation(s):	<p>The Administration proposes the following for discussion:</p> <ul style="list-style-type: none">• Consider establishing guiding principles, process, membership criteria, structure and reporting processes that align advisory bodies' work with the council's priorities.• Consider dissolving inactive or obsolete advisory bodies.• Consider combining bodies with similar missions.• Review the mission and purpose of remaining Council appointed advisory bodies to include a sunset provision for their work.

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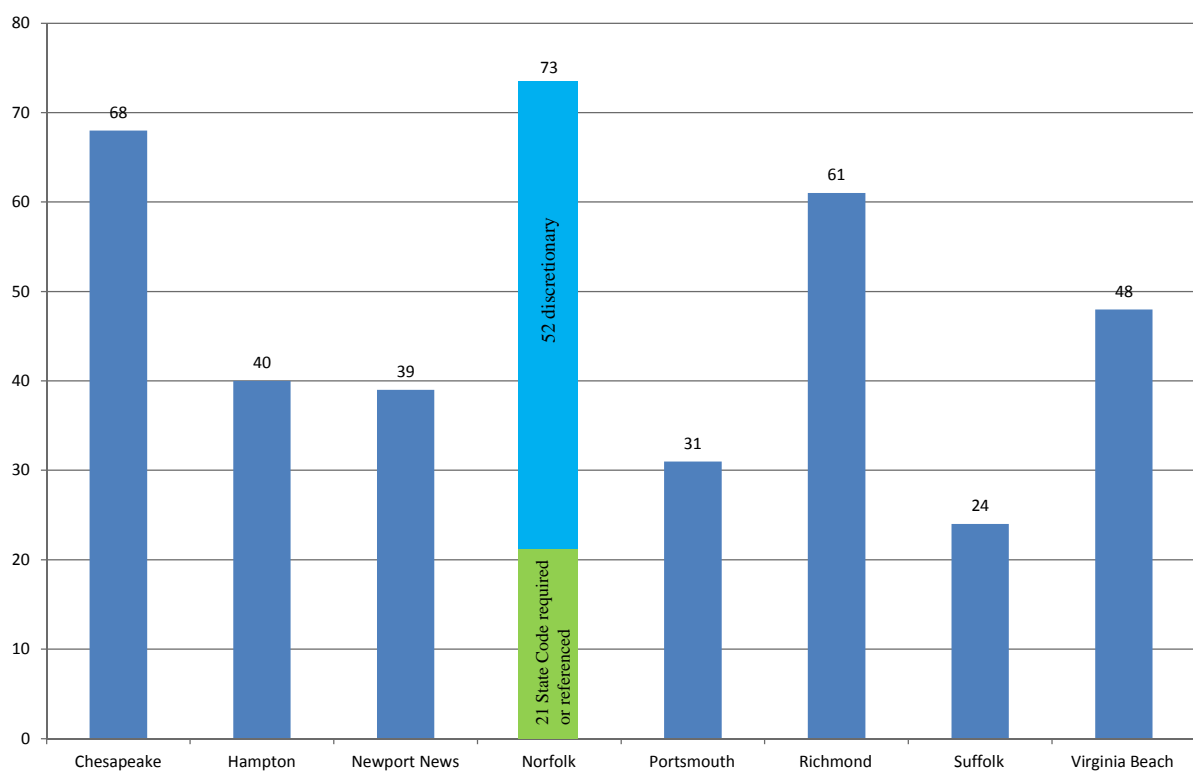
Boards and Commissions

City Council Retreat
September 23-24, 2013

The Numbers

- 73 Advisory Entities
 - 19 commissions
 - 16 boards
 - Appointments to 11 regional entities
 - 5 authorities
 - 11 neighborhood-level taskforces (some not meeting)
 - 7 special committees to advise on specific issues or projects
 - 4 Council standing committees

Number of Advisory bodies



21 State Code Required or Referenced

- Board of Building Code Appeals
- Chesapeake Bay Alcohol Safety Action Program
- City Planning Commission
- Civil Service Commission
- Community Services Board
- Criminal Justice Board
- Economic Development Authority
- Employee Retirement System Board
- Hampton Roads Planning District Commission
- Hampton Roads Regional Jail
- Hospital Authority of Norfolk
- Norfolk Airport Authority
- Norfolk Interagency Consortium
- Norfolk Redevelopment and Housing Authority
- Public Library Board of Trustees
- School Board
- South Hampton Roads Disability Service Board
- Southeastern Public Services Authority
- Towing Advisory Board
- Transportation District Commission of Hampton Roads
- Wetlands Board

52 Are at the Discretion of the Council

- 6 Regional Board Appointments
- 17 Commissions
- 7 Boards
- 11 Taskforces
- 7 Special Committees
- 4 Internal Council Committees

Long-term Opportunities

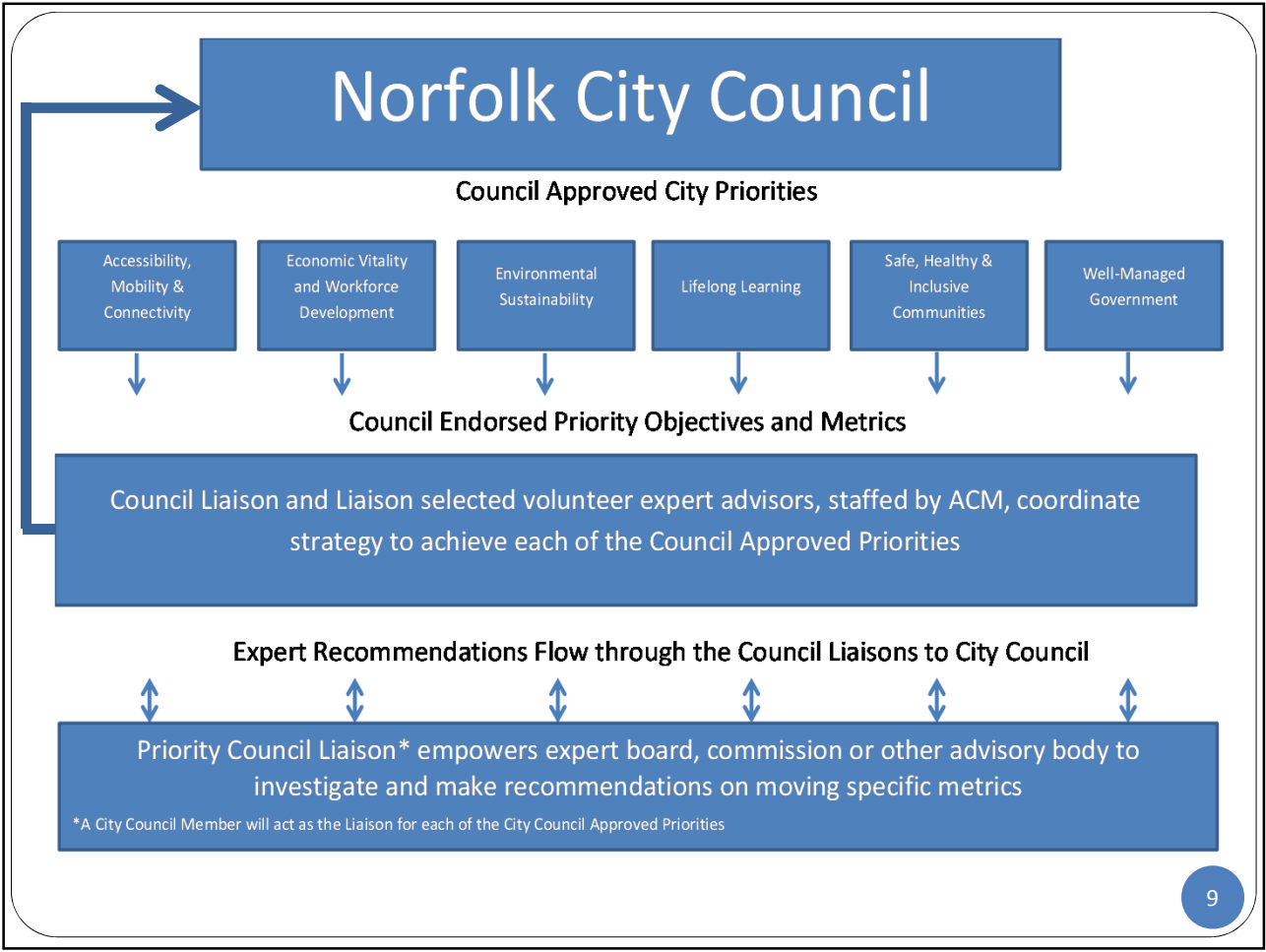
- Align efforts to the City Council's Six Priorities
- Formalize process for City Council Members to receive recommendations from Boards, Commissions or other advisory bodies
- Creates a process for establishing advisory body purpose and performance goals that are aligned to the City Council approved priorities
- Advisory bodies are created for a specific task and time periods, allowing for sun-setting of a body upon completion of the task

High Performing Teams—What the Research Indicates

- Doug Smith—The Wisdom of Teams
 - Size: Small number of people with the required skills (no more than 10)
 - A sense of purpose and a clear cut mission
 - Clear and compelling performance goals
 - Complimentary expertise/skills
 - Approach: creativity in problem solving
 - Accountability: mutually accountable to each other for performance

Guiding Principles for Establishing Advisory Bodies—Best Practice

- An advisory body will
 - Only be established when it is needed and abolished when that need is no longer present
 - Contain the fewest number of members possible for achieving the purpose for which it is established
 - Have its purpose, performance goals, reporting requirements and length of service proscribed by the Council upon establishment
 - Scope of work will align with a priority area and with a goal of the City's Priority Area Plan
 - Create diversity with respect to the key issue
 - If the issue breaks down around income, must be economically diverse; if race, racially diverse; if gender, diversity in gender; philosophical differences, represent divergent points of view, etc.



Restructuring Advisory Bodies

- What the City Charter Says
 - City Manager makes a recommendation to the City Council based on a set of agreed upon criteria that identifies issues that would benefit from input from a citizen's advisory committee.
(City of Norfolk Charter §141 Miscellaneous Provisions)

Quick Actions for Consideration

- Civic Facilities Commission
- Commission on Aging/Long-term Care Coordination
- Hampton Boulevard Safety Committee
- Highway Safety Commission
- Historic and Architectural Preservation Committee
- Municipal Bond Commission
- Elizabeth River Trails
- Tree Commission

*See table for details

Mid-length Actions for Consideration

Staff works with bodies to create a schedule for formalizing the purpose, goals, a process for delivering recommendations and sun-setting the advisory body at the appropriate time for the following advisory bodies:

- Animal Advisory Board
- Bicycling and Pedestrian Trails Commission
- Commission for Person with Disabilities
- Employees Retirement System Board of Trustees
- Military Economic Development Advisory Committee

*See table for details

Mid-length Actions for Consideration

- Animal Advisory Board
- Bicycling and Pedestrian Trails Commission
- Commission for Person with Disabilities
- Employees Retirement System Board of Trustees
- Military Economic Development Advisory Committee
- Norfolk Environmental Commission
- Norfolk Health Services Advisory Commission
- Recreation Commission
- Veterans Affairs Advisory Committee

*See table for details

Align Current Work of Boards, Commissions and Advisory Bodies Around Priorities

- **Accessibility, Mobility and Connectivity**
 - Bicycling and Pedestrian Trails Commission/Elizabeth River Trail Committee
 - Hampton Roads Planning District Commission
 - Hampton Roads Transportation Planning Organization
 - Norfolk Airport Authority
 - Transportation District Commission of Hampton Roads (HRT)

Structure Around Priorities

- Economic Vitality and Workforce Development
 - Economic Development Authority
 - Military Economic Development Advisory Committee
 - Norfolk Redevelopment and Housing Authority
 - Mayor's Poverty Reduction Commission
 - School Board
 - Medical College of Hampton Roads (EVMS)
 - Southeastern Tidewater Opportunity Project
 - Tidewater Community College Board

Structure Around Priorities

- Environmental Sustainability
 - Norfolk Environmental Commission
 - Design Review Committee
 - Recreation Committee/Tree Commission
 - Southeastern Public Services Authority
 - Wetlands Board

Structured Around Priorities

- Lifelong Learning
 - Botanical Garden Society Board of Trustees
 - Chrysler Museum Board of Trustees
 - Commission on Arts and Humanities
 - Early Learning Advisory Board
 - Public Arts Commission
 - Public Library Board of Trustees

Structured Around Priorities

- Well-Managed Government
 - Board of Building Code Appeals
 - Board of Zoning Appeals
 - City Planning Commission
 - Civil Service Commission
 - Public Vehicle Driver Appeal Board of Review
 - Towing Advisory Board
 - Animal Welfare Board of Review
 - Animal Welfare Board

Structured Around Priorities

- Safe, Healthy and Inclusive Communities
 - Commission for Persons with Disabilities
 - Community Services Board
 - Ryan White
 - Chesapeake Bay Alcohol Safety Action Program
 - Criminal Justice Board
 - Hampton Roads Regional Jail
 - Norfolk Health Service Advisory Board
 - Hospital Authority of Norfolk
 - Police Fire Trial Board
 - Veterans Affairs Advisory Commission
 - Norfolk Interagency Consortium
 - Senior Services of Southeastern Virginia
 - South Hampton Roads Disability Services Board
 - South Hampton Roads Regional Task Force to End Homelessness

Outliers--Neighborhood Task Forces

- Would naturally fit into Safe, Healthy and Inclusive Communities
 - Within the Ward System provides accountability between citizens and their elected Council representative
 - Drive activities around Council approved Neighborhood Plans
 - Prioritize plan goals—Council Rep/Neighborhood Development Specialist/Task Force representatives working in collaboration.
 - Create 180 day schedules to drive activity
 - Task Force meetings discussions are organized around the schedule

180 Day Plan Example

- Identify problem/opportunity in multiple Taskforce area
 - Young teenage children harassing business district patrons before and after school hours (Oct 2013)
- Identify possible solutions (Oct 2013)
 - Increased security in the business district before and after school hours
 - Enlist cadres of older teens to keep the peace by exhibiting good behavior in the business district
 - Train business workers to effectively intervening w/teens
 - Increase out-of-school activities for target group between the hours of 3pm and 6pm (perhaps in the business district)

180 Day Plan

- Identify partners to construct a plan of action (Oct-Dec 2013)
 - School Principal
 - School Security Officer
 - Police Community Resource Officers
 - Business Owners
 - Teen Representatives (older and target age)
 - After school program providers
- Begin executing the plan with weekly feedback among the partners (Nov-March 2013)
- Monitor to determine if harassment incidents have declined (Jan-March 2014)
- Final report back to the Task Force (March 2014)

Neighbors Building Neighborhoods

- Coalitions of residents, businesses, nonprofits, city departments, philanthropic institutions, universities, etc.
 - Identifying opportunities and working together to build on the current assets of the neighborhoods

Council Strategy Discussion and Direction

Advisory Bodies

Advisory Body Name	Municipal Code Reference	Date Established	Purpose	Consideration
Quick Actions				
Civic Facilities Commission	§13-25 et seq.	1958	Advise in all matters pertaining to policy, promotion of attractions, expenditures, use and operation of all facilities	Sunset —city has staff members assigned tasks originally filled by the advisory board
Commission on Aging/Long-term Care Coordination	§2-286 et seq.	1996	Advise on the coordination, extension and improvement of the services provided by public and private agencies related to the problems, needs and programs for aged of the city...	Develop and submit to city council a long-term care plan. Sunset —current commission has been ineffective in structuring its work, delivering recommendations or advising the DSS director. Senior Services of SV has a long-term care coordinating committee that addresses the same goals.
Hampton Boulevard Safety Committee	Informal Group	Unknown	Makes recommendations for improvements to traffic flow on Hampton Boulevard	Sunset —prepared and delivered a final report to Council several years ago. Meet to review progress.
Highway Safety Commission	Informal Group	Unknown	Recommends plans for highway safety programs for the city. Utilizing accident/crash statistics, the committee identifies safety strategies to address the concerns.	Sunset —assign staff to review statistics and create solutions.
Historic and Architectural Preservation Committee	§32-72.10 et seq.	2008	Advise on regulations to promote the preservation of historic structures or properties, recommend the adoption of policies, procedures, guidelines, regulations and amendments to laws or ordinances which promote preservation.	Sunset —Have completed report recommending changes to all ordinances and policies affecting historic district. Report calls for the elimination of this committee and for the Design Review Committee to expand to an Architectural Review Board to review proposals in historic districts.
Municipal Bond Commission	§16-176 et seq.	1958 Code	Make recommendations to improve the marketability of the City Bonds and its bond programs.	Sunset —duties of the commission are now better addressed by professional staff in conjunction with the City's financial advisor and bond counsel.

Advisory Bodies

Advisory Body Name	Municipal Code Reference	Date Established	Purpose	Consideration
Quick Actions				
Elizabeth River Trails Committee	Informal Group	2002 (?)	To advise on the development of the Elizabeth River Trail.	Merge into Bicycling and Pedestrian Trails Commission
Tree Commission*	§45-27 et seq.	2005	Advise on matters pertaining to the tree ordinance and its enforcement.	Merge w/Recreation Commission --Tree maintenance and stewardship are core functions of the Recreation & Parks Commission. Add two or three key members to the Recreation Commission can achieve goals and objectives of the Tree Commission.
Mayor's Commission on Poverty Reduction*	Resolution 1,556	2013	Examine the nature of poverty in Norfolk and recommend actions that will increase educational attainment and employment and reduce the number of citizens and families living in poverty.	Ordinance includes a sunset provision of 1 year.
Mid-length Actions				
Animal Advisory Board*	§6-1 et seq.	2012	Advise in matters related to overall animal welfare in the community	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.
Bicycling and Pedestrian Trails Commission	§2-599 et seq.	2012	Advise on infrastructure improvements, advocacy and implementation of policies to encourage safe use of biking and pedestrian trails.	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.
Commission for Persons with Disabilities	§2-303 et seq.	1987	Advise on the needs of persons with disabilities.	The City Council shall, at the conclusion of three (3) years after June 27, 1978, review the status of the commission with a view toward its continuation, based on the quality and effectiveness of its efforts.
Employees Retirement System Board of Trustees	§37-96 et seq.	1958	General administration and management and the responsibility for the proper operation of the Retirement System.	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.

Advisory Bodies

Advisory Body Name	Municipal Code Reference	Date Established	Purpose	Consideration
Mid-length Actions				
Military Economic Development Advisory Committee*	§2.1-56 et. seq.	2012	Advise on supporting and strengthening relations with all military and federal entities, identify for the city economic development opportunities with the various military and Federal agency commands, identify service members separating from the military for employment with businesses in Norfolk or in Hampton Roads, provide information concerning military issues that may be addressed by the city.	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.
Norfolk Environmental Commission	§2-341 et seq.	1995	Advise on matters affecting the quality of the local environment with special emphasis on preventing damage to and the enhancement of the quality of local land, air, and water.	Staffed by an executive coordinator housed in Public Works Dept. Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.
Norfolk Health Services Advisory Commission*	§2-506 et seq.	1987	Advise upon matters relating to the public health of the city including on the formation of a comprehensive plan for the development, coordination and evaluation of local health services systems	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.
Recreation Commission	§25.2-15 et. seq.	1999	Advise in all matters pertaining to public recreation in the city	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.
Veterans Affairs Advisory Committee	§2.1-62 et seq.	2012	Advise on issues that may affect veterans, assist in services and ceremonies appropriate to patriotic holidays, assist in the maintenance and upkeep of veteran statuary located on Norfolk public property	Staff works with committee to define purpose, goals, metrics, process for delivering recommendations and sunset.

Advisory Bodies

Advisory Body Name	Municipal Code Reference	Date Established	Purpose	Consideration
Animal Welfare Board of Review	§6-1-92 et. seq.	1999	To hear appeals of any decision by the animal control officer denying a permit required by this chapter, revoking a permanent or the impoundment of any animal.	Meets as needed. No action required.
Commission on Arts and Humanities	§2-456 et seq.	1989	Advise to promote the development and awareness of artistic and cultural programs, to provide a coordinated method of city support of cultural organizations, programs; review and evaluate requests for city funds for artistic and cultural purposes, make recommendations, advise on approaches to join with other area city arts commissions in an attempt to consolidate them into an area wide arts commission.	Recommends annual arts grants. No action required.
Early Learning Advisory Board		2009	Allows the City to fulfill its commitment to enhance education and opportunities for early childhood initiatives within the city.	Requirement of the \$500,000 5-year grant that expires Dec. 2014 (FY2015)
Public Arts Commission*	§32-72.1 et seq.	2008	Has sole authority to make recommendations regarding works of art that are or are intended to become public art and part of the public art collection, has powers and duties to develop a public art program, develop policies, procedures and guidelines, review public art proposals and make recommendations.	Reviews public art proposals and makes recommendations. No action required.
Public Vehicle Driver Appeals Board of Review	§34.1-54 et seq.	1999	For the purpose of hearing appeals as provided in section 34.1-55.	Meets as needed, no action required.

*Establishing Ordinance or Resolution contains details regarding reporting to the Council.

John W. Martin
CEO and President, Southeastern Institute of Research
CEO, Boomer Project

John W. Martin is President and CEO of the Southeastern Institute of Research, Inc. (SIR), a 48 year old market research company headquartered in Richmond, Virginia. SIR has conducted over 13,000 research studies utilizing focus group, ethnography, and survey research to help organizations identify their unique selling propositions, formulate strategies, explore new products and services, and measure the overall effectiveness of marketing programs. Clients of SIR include many of America's leading companies and associations including GE, Polaroid, Johnson & Johnson, Lincoln Financial, Wal-Mart, Google, AARP, American Chemical Society, the Public Relations Society of America, the American Society for the Prevention of Cruelty to Animals, and hundreds of other *Fortune 1,000* companies and national associations.

John is also the co-founder and CEO of the Boomer Project (boomerproject.com), a national research-based marketing "think tank" that tracks major demographic and societal trends and provides strategic consultation on how to understand and effectively communicate with different generations – Silent Generation, Boomers, Gen Xers and Millennials.

Boomer Project insights have been featured in the *Los Angeles Times*, *Washington Post*, *Chicago Tribune*, *Toronto Star*, *BusinessWeek*, *The Wall Street Journal*, *Barron's*, and on NBC Nightly News, CBS News, MSNBC, and NPR's Morning Edition. John co-authored the award-winning business book, ***Boomer Consumer***, published in 2007 and subsequently named a Top 10 Business book by Corbis, a Bill Gates Company.

In addition to directing SIR and the Boomer Project, John is a national keynote speaker on topics ranging from new rules on marketing to Baby Boomers to harnessing the power of a multigenerational workforce.

Prior to joining SIR, John was the Chief Marketing Officer for PBM Products, a \$120 million consumer products company. While at PBM, John orchestrated consumer product launches through leading national retailers including Wal-Mart, Kmart, Target, Kroger, Albertson's, CVS, and dozens of other national chains.

John began his marketing career at Siddall, Matus & Coughter (SMC), an award-winning communications firm headquartered in Richmond, Virginia. John joined SMC as a young intern and ended up as the firm's president, leading the agency's client program development work in healthcare, financial, and transportation categories. Many of the transportation-related marketing programs guided by John were recognized by the American Marketing Association (AMA) and the Association for Commuter Transportation (ACT) as the most effective communications outreach campaigns in the country.

John earned an M.B.A. from Virginia Commonwealth University and a B.A. in Economics from Washington & Lee University. He is a member of the Association for Commuter Transportation (ACT), the American Marketing Association (AMA), and the Council of American Survey Research Organizations. John currently serves on the boards of the Richmond Memorial Health Foundation, the Medical College of Virginia Foundation, the Sustainable Transportation Initiative of Richmond (Project STIR) and Collegiate School.

Past Speaking Engagements

ASSOCIATIONS & NON-PROFITS

Advertising Federation Memphis
American Marketing Association
Asheville Chamber of Commerce
Athens-Clarke County Library
California State Library
Colorado Hotel & Lodging Association
Mid-Atlantic Affordable Housing Mgmt
Montana Lodging and Hospitality Assn
National Trust for Historic Preservation
NC Assn. of Broadcasters
Prince William Area AAA Age Shift
Prof. Convention Management Assoc.
RVA Housing Association
SC Independent Colleges & Univ.
Society of Insurance Researchers
Suffolk Center for the Cultural Arts
UNCG Gerontology Summit
Virginia Community College System
VA Housing Development Auth.
VA Recreation & Park Society

BOOMER & AGING EVENTS

Aging Services of California
Beyond the Boomers Conference
Boomer Business Conference
Boomer Marketing Conference
Deltec Homes
Focalyst Research "Forum"
Governor's Conf. - Aging Massachusetts
National Assn of State Retired Admin.
NY Library Boomer Generation Conf.
Older Dominion Partnership
Southern Newspaper Publishers Assoc.
What's Next Boomer Summit
White House Conference on Aging
Vocento Media Group, Spain
Williams Mullen
Windsor Assoc. Ophthalmologist Assn.

CONSUMER PRODUCTS & RETAIL

Cadbury-Adams
Hamilton Beach
Hershey Foods
Johnson & Johnson Consumer Healthcare
MeadWestvaco Corp
Miles Kimball Company
NSB Group Retail Customer Conference
Pfizer Consumer Healthcare
PRSA Blue Ridge
Retail Merchants Association
Ringling Bros. & Barnum Bailey
Samsung Electronics
Wal-Mart
General Mills
Proctor & Gamble

FINANCIAL SERVICES

Alabama Assoc. Insur. & Fin. Advisors
CFA Society of Richmond
Credit Union Executive Society
Farmer's Insurance
Fidelity Investments
Financial Freedom
Florida Credit Union League
Genworth Financial
ING
John Hancock Financial Network
Legend Group
LIMRA/LOMA Retirement Industry Conf.
Lincoln Financial
MDRT Boomertirement Industry Summit
MKG Financial
National Assoc for Fixed Annuities
New England CUES Council
Prudential
Risk & Insurance Studies Center (RISC)
Sun Life Financial Distributors
SunTrust Investment Services
UBS

HEALTHCARE

American College of Healthcare Admin.
American Health Care Association
American Heart Association
HISC Accountable Care Organizations
Home Instead Senior Care
Kentucky Assoc. of Health Care Facilities
Maine Health Care Association
National Center for Assisted Living
New York State Assoc. of Health Care Providers
Oregon Health Care Association
Pennsylvania Homecare Association
Revolution Health
South Dakota Health Care Association
VA Commonwealth Univ. Health System
Virginia Community Bankers Association
Virginia Financial Planners Association
Virginia Healthcare Association
Virginia Retirement System
Washington Health Care Association

MEDIA & NEWSPAPER

Canadian Newspaper Association
Charlotte Business Journal
GRAND Magazine
Grandparents.com
Int'l Newspaper Marketing Assoc.
Media General
Newspaper Association of America
Richmond Times-Dispatch
Google

TELECOMMUNICATIONS INDUSTRY

AT&T / AT&T Wireless
BellSouth
Blue Mountain Cellular
Cavalier Telephone
Cellular One
CenturyTel
Cingular Wireless
ClearTel Communications
Comcast
Cox Cable/Communications
Fox Broadcasting
Hickory Tech Wireless
LA Cable
Minnesota Cable
Missouri Telecom
National Telecomm Coop Association
NC Cable
nTelos (CFW Cellular)
Northern PCS
Ohio Cable
Public Service Cellular
Rural Cellular Corporation
Tennessee Telecom
US Cellular
Verizon
Wisconsin Cable

TRAVEL INDUSTRY

Alaska Travel Industry Association
California Travel Industry Association
Education Travel Learning Conference
Explore Minnesota
Family Motor Coach Association
Iowa Tourism
Memphis Convention & Visitor's Bureau
National Tourism Association
North Dakota Tourism Division
Republic of Panama
Virginia Beach Conv. & Visitor's Bureau
VISIT FLORIDA





CBS NEWS

BusinessWeek



Newsweek



The New York Times

FINANCIAL TIMES

The Washington Post

Los Angeles Times

» TORONTO STAR

Preliminary 2014 Legislative Requests and Priorities Recommendations

City Council Retreat
September 23-24, 2013

Proposed 2014 Federal Legislative Priorities

- Flooding/Water/Wastewater
 - Norfolk Comprehensive Flood Control Study
 - Willoughby and Vicinity Beach Nourishment Implementation
 - (3) Section 205 Flood Studies – Hague, Pretty Lake, Mason Creek
 - Western/Branch Dam Upgrades
 - Wastewater System Upgrades
- Transportation
 - Completion of federal EIS on the Richmond to Hampton Roads Passenger Rails Corridor Study
 - TIGER Grant
 - Bicycle / Pedestrian Trails
 - Intercity Passenger Rail

Proposed 2014 Federal Legislative Priorities (cont.)

- Disaster Preparedness
 - SAFER Grant
 - FEMA Pre-Disaster & EOC Operations
 - DHS Urban Area Security Initiative (UASI)
 - Community Oriented Policing Services Technology Implementation
- Public Education
 - Race to the Top
 - Investing in Innovation (i3)
 - Promise Neighborhoods
 - Anticipated federal comprehensive school safety programs
- Veterans
 - U.S. Dept. of Labor Homeless Veterans Reintegration Program and Veterans Investment Program
 - Pilot Program for Veterans Re-Entry (Senator Warner)
- Oppose efforts to remove/limit federal tax exemption of municipal bonds and other related municipal debt instruments.

Proposed 2014 State Legislative Requests

1. Establish a Joint Study Committee of appointed General Assembly members on Recurrent Coastal Flooding.
2. Direct JLARC to study the current provisions for allocating highway and transportation funds.
3. Require the Virginia Department of Transportation to pay for any deferred and on-going maintenance of all future Public-Private Transportation Projects.
4. Enact legislation for the purpose of amending Norfolk's City Charter with several administrative changes.

Proposed 2014 State Legislative Priorities

- Oppose the elimination of the existing legislative moratorium on uranium mining in Virginia.
- Repeal of delay enactment of the Opportunity Education Institute.
- Oppose legislative efforts to further shift K-12 per pupil funding responsibility away from the Commonwealth and onto local governments.
- Meaningfully address 1995 Public-Private Transportation Act governing affected local governments.
- Align the local Commonwealth Transportation Board appointments based upon congressional districts.

Proposed 2014 State Legislative Priorities (cont.)

- Maintain the Virginia Intercity Passenger Rail (IPROC) fund at levels set forth in the Virginia Transportation Act of 2013.
- Equitably distribute the apportionment of outstanding teacher retirement plan liability.
- Authorize local governments to use third party tax lien transfers under certain conditions.
- Provide sufficient state funding for newly assumed Family Access to Medical Insurance Security (FAMIS) administrative responsibilities.
- Local option plastic bag ban.

Proposed 2014 State Budget Amendment Requests

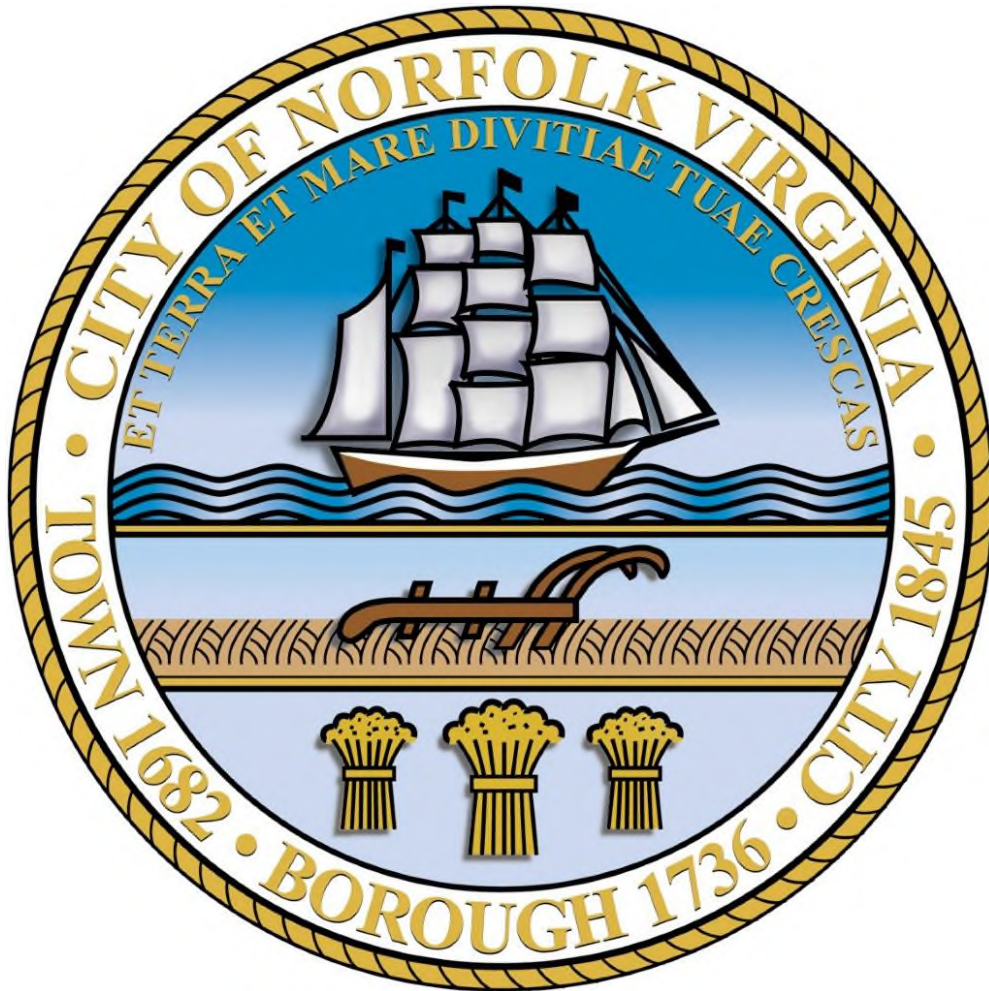
1. Two-year Joint General Assembly Study Committee on recurrent coastal flooding.
2. School accreditation assistance fund for underperforming schools needing additional resources.
3. Norfolk Light Rail Extension to Naval Station Norfolk (~\$7M).
4. Fully fund the Virginia Port Payment in Lieu of Taxes funding formula.

Proposed 2014 Legislative Priorities Package Timeline

- Senior Executive Team has already met w/ the City's Congressional and State lobbyist.
- Council / NPS Board Meeting with Norfolk's General Assembly Delegation has been scheduled for Tuesday, October 29th, 4:30p-7p at the Half Moone Celebration Center.
- Council approves 2014 Legislative Priorities Package by Resolution Tuesday, November 26th
- Prefile deadline for all legislative bills is December 6th
- 2014 Session begins January 8th

Council Strategy Discussion and Direction

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City of Norfolk's 2014 Legislative Priorities

-Recommended Draft-
9/23/13

City of Norfolk's 2014 Federal Priorities

1. Flood Control/Water Infrastructure: Pursue funding and partnership to address flood control and water infrastructure priorities. Support the completion of on-going federal flood control studies.
 - a. City of Norfolk Comprehensive Flood Control Study
 - b. Section 205 Flood Mitigation Studies
 - c. Willoughby Spit and Vicinity Beach Nourishment Implementation
 - d. Western Branch Dam Upgrades
 - e. Wastewater System Upgrades
2. Transportation: Pursue federal transportation funding and partnership to address mobility priorities.
 - a. Federal Environmental Impact Statement on the Richmond to Hampton Roads Passenger Rail Corridor Study
 - b. TIGER Grant
 - c. Bicycle / Pedestrian Trails
 - d. Intercity Passenger Rail Service
3. Disaster Preparedness: Pursue federal funding and partnership to address homeland security and disaster preparedness challenges.
 - a. Staffing for Adequate Fire and Emergency Response (SAFER) Grant
 - b. FEMA Pre-disaster Mitigation Grant
 - c. FEMA Emergency Operations Center Funding
 - d. DHS Urban Area Security Initiative (UASI)
 - e. FEMA Fire and Emergency Response Grants/Fire Grant Support
 - f. DOJ Law Enforcement Grants
4. Education: Pursue federal funding and partnership for closing the achievement gap, raising accreditation scores, and improving safety and security at Norfolk Public Schools.
 - a. Race to the Top
 - b. Investing in Innovation (i3)
 - c. Promise Neighborhoods
 - d. Anticipated Comprehensive School Safety Programs
5. Veterans: Pursue grant funding and programmatic housing funding and partnership with on-going workforce veteran workforce development program.
 - a. Homeless Veterans' Reintegration Program (Dept. of Labor)
 - b. Veterans Workforce Investment Program (Dept. of Labor)
 - c. Homeless Providers Grant and Per Diem Program (Dept. of Veterans Affairs)
 - d. Supportive Services for Veteran Families (Dept. of Veterans Affairs)
6. Municipal Finance: Oppose legislative efforts to remove or limit federal tax exemption of municipal bonds and other related municipal debt instruments.

City of Norfolk's
2014 Virginia General Assembly
Legislative Requests

Legislative Request # 1: The City of Norfolk requests the General Assembly to establish and fund a Joint Study Committee to further investigate and make recommendations on recurrent coastal flooding in Virginia.

The 2012 General Assembly of the Commonwealth of Virginia unanimously passed [SJR 76, 2012: Recurrent Flooding Study of Tidewater Virginia](#) and commissioned a study to evaluate Virginia's coastal communities' current capabilities to identify and implement comprehensive adaptation strategies to mitigate recurrent coastal flooding. The study was conducted by the Virginia Institute of Marine Sciences (VIMS) and published as Senate Document No.3 January 2013 (VIMS Report).

The VIMS Report concludes Virginia localities are not adequately equipped to address and implement meaningful flood mitigation strategies required for responding to predicated relative sea level rise on their own. Within the VIMS Report, there are a series of simulations that show impacted areas as influenced by: a) storm surge, b) sea level rise, and c) the recurrences of storms making land fall within the region. All of these factors both individually and collectively, are anticipated to increase the frequency and the severity of coastal flooding events. This will increase damages to public and private property, amplify impacts to public safety, and increase disruption to individuals and the economy. Left unaddressed, the Commonwealth can reasonably anticipate that it will see significant and profound coastal flooding now and into the immediate planning horizon.

This contention supported by the VIMS Expert Advisory Panel is that Virginia localities are overwhelmed by the magnitude of the recurrent coastal flooding challenge and do not have sufficient technical resources to define and address the coastal flooding risks. Further, Virginia local governments lack the framework and structure for responding to and planning for future significant recurrent coastal flooding events, nor the financial resources or regulation authority to implement necessary comprehensive flood mitigation solutions.

To mitigate these shortfalls, the VIMS report strongly recommends that the state take a stronger leadership role to incorporate flood and sea level rise management into their purview. It also recommends the state take ownership of the necessary integration role between the localities and the appropriate federal agencies.

Legislative Request # 2: The City of Norfolk requests the General Assembly to direct the Joint Legislative Audit and Review Commission (JLARC) to conduct an updated study JLARC Study # 64—*Equity of the Current Provisions for Allocating Highway and Transportation Funds in Virginia (Dec 1984)*.

Currently, the General Assembly authorizes the Commonwealth Transportation Board (CTB) to allocate transportation trust funds (TTF) for construction after maintenance and other “off of the top subtractions” (i.e. unpaved roads) are taken from the total transportation revenues available for a given year.

Of the remainder of transportation TTF dollars available, current law (COV Section 33.1-23) requires state highway construction funds to be allocated: 40% to the primary road system; 30% to the secondary system (funding determined 80% by population, 20% by land area); and 30% to the urban system (100% distributed by population). This allocation methodology was based upon the [JLARC Study # 64—*The Equity of Current Provisions for Allocating Highway and Transportation Funds in Virginia \(Dec 1984\)*](#).

At the time of the 1984 JLARC Study, rigorous investigation was accomplished to determine the current and forecasted needs of various Virginia transportation systems. JLARC recommended that the General Assembly distribute an equally divided 1/3 allocation of available transportation trust fund dollars to each transportation system. However, ultimately, the General Assembly opted to impose the 40-30-30 distribution that is currently employed to this day.

Considering the amount of time that has elapsed since the General Assembly last thoroughly reviewed its transportation funding allocation (30 years) and considering the new HB 2313 transportation funds available, the General Assembly is requested to undertake a similar JLARC Study as was completed in 1984.

Legislative Request # 3: The City of Norfolk requests the General Assembly to require the Commonwealth to provide any deferred and on-going roadway maintenance on all future Public-Private Transportation Projects.

The Commonwealth has recently begun heavily utilizing the public-private partnership act to facilitate the financing, construction, and operation of significant transportation projects across the state. As part of contractual agreements that have reached, the Commonwealth is requiring PPTA contractors to provide all, or nearly all, of the deferred and on-going roadway maintenance, which ultimately translates to higher toll rates being charged to citizens.

Fair and equitable treatment would require the Commonwealth to pay for the maintenance of PPTA transportation projects with funds collected for the Highway Maintenance & Operations Fund (HMOF) as it does for every other road project across the state. The revenue collected by the Commonwealth and paid by Virginia citizens using these PPTA transportation facilities, is intended to be used to pay for statewide roadway maintenance.

The General Assembly is requested to consider prohibiting the Virginia Department of Transportation (VDOT) from requiring toll revenue to pay for maintenance on public/private partnership projects going forward.

Legislative Request # 4: The City of Norfolk requests the General Assembly to enact legislation for the purpose of amending Norfolk's City Charter with several administrative changes to reflect the city's current organizational structure.

This is a request to allow the City of Norfolk to update several sections of its City Charter to reflect the city's current organizational structure and conform to applicable state law.

City of Norfolk's
2014 Virginia General Assembly
Legislative Priorities

Legislative Priority # 1: The City of Norfolk strongly opposes the elimination of the existing legislative moratorium on uranium mining in Virginia.

Virginia Uranium, Inc. has proposed to conduct mining of uranium deposits on its Coles Hill property in Pittsylvania County, Virginia. Before any mining can occur, the Commonwealth must lift a statutory moratorium on uranium mining that has been in effect statewide for several decades. Virginia Uranium pursued an aggressive legislation initiative during the 2013 General Assembly, which was ultimately withdrawn by its primary patron to avoid a record of General Assembly defeat. It continues to pursue intensive grassroots and legislative efforts to lift the existing statutory moratorium.

Norfolk's opposition to the lifting of the moratorium on uranium mining in Virginia is predicated on the city's informed conclusion that the existing environmental and public health regulatory structure for traditional mining operations in the Commonwealth is fundamentally flawed.

To be effective, this new regulatory framework will be extremely complicated, as compared to Virginia's current mining regulatory structure. Uranium is found in the ground in nature but when exposed to air and water during the mining process, radiation is released into the environment. Uranium mining is a completely new and unfamiliar mining industry to the Commonwealth and has only been mined in remote, arid areas. Further, there is no evidence to suggest conclusively that mining uranium in a wet climate can be done safely.

The venue for testing a new experimental regulatory structure and new uranium mining technology in a precipitous climate like Virginia should not occur when the consequences of error would be catastrophic to such a vital and important water supply serving more than 1 million people in Southside Virginia as well as the world's largest naval base.

Legislative Priority # 2: The City of Norfolk strongly opposes the enactment of the Opportunity Education Institute.

Beginning with the 2014-15 school year, the state Opportunity Educational Institution (OEI), a statewide school division, will take over the operation of identified local public schools that have been denied accreditation for two years. OEI is patterned after similar school takeover initiatives in both Louisiana and Tennessee. The OEI will be governed by four (4) legislators appointed by the General Assembly and five (5) citizens plus OEI's executive director being appointed by the Governor.

Under the provisions of this legislation, schools that are denied accreditation for two (2) years shall be transferred to the OEI. The OEI Board may elect to transfer schools that are accredited with warning for three (3) consecutive years. However there are no provisions governing what happens should the schools under the OEI continue to be low-performing.

OEI legislation specifies that all applicable state and local education funding associated with a student in a school operated by OEI will be transferred to OEI. This includes local discretionary or "aspirational" funding that exceeds the required local share with no guarantees these dollars would be spent on local students. The legislation also further states that the OEI will have the right to use any school building and all facilities and property of the school. OEI would be responsible for routine maintenance but the locality "shall" provide "extensive capital repairs."

There are significant constitutional questions regarding the legality of the creation and operation of a statewide school board as proposed. The Norfolk School Board has challenged the constitutionality of OEI and filed a complaint with the Virginia Supreme Court. Virginia Attorney General Ken Cuccinelli has also stated publicly that he does not believe OEI is constitutional.

The Norfolk Council feels OEI is unconstitutional and requests the General Assembly to repeal its enabling legislation. However, if repeal of OEI is not possible, the Norfolk City Council requests the General Assembly to delay its enactment for one-year so the highly anticipated Joint Legislative Audit and Review Report on Best Practices for Virginia's Lower Performing Schools can be considered (scheduled to be released June 2014).

Legislative Priority # 3: The City of Norfolk opposes legislative efforts that further shift K-12 funding responsibility away from the Commonwealth and onto local governments.

In FY 2011 localities spent more than \$3.3 billion per year above the state's required local effort (RLE) for K-12 operations. This \$3.3 billion of "over-spending" was in excess of the \$3.2 billion that localities were actually required to spend, which accounted for approximately 25 percent of all operating expenditures for K-12. From FY 2008 to FY 2013 the City of Norfolk spent on average \$54 million, or 109.3% above the required local effort.

In addition to the \$6.5 billion that localities spent on K-12, reports by the Auditor of Public Accounts show that localities spent an additional \$389 million in debt service costs for education in FY 2011. Without the "over-spending" of \$3.3 billion in K-12 funding by local governments, school divisions and students would have little chance of meeting state and federal student outcome requirements.

The lack of adequate state funding support for K-12 public education has placed an inordinate burden on localities. A strong public school system is essential to economic development and prosperity. The state must be a reliable funding partner in accordance with the Virginia Constitution and governing state statutes. The Standards of Quality only recognize the minimum level of resources needed to support a minimum number of positions and does not recognize the associated costs for meeting the Standards of Learning and Standards of Accreditation.

Norfolk therefore opposes any further changes in the funding methodology which continues to shift the division of financial responsibility from the state to localities. Norfolk further opposes policies that lower state contributions but do nothing to address the actual cost of meeting the requirements of the Standards of Accreditation and the Standards of Learning.

Legislative Priority # 4: The City of Norfolk supports legislative efforts to meaningfully address deficiencies in the current 1995 Public Private Transportation Act governing affected local governments.

There has been a dramatic increase in Virginia's use of the Public Private Transportation Act of 1995 (PPTA) for construction projects. The PPTA was designed to leverage public sector transportation funding by attracting private sector to risk capital and to bring private sector creativity and efficiency to the task of building the Commonwealth's large transportation projects. While some evidence suggests that private sector creativity and efficiency can advance and improve the building of individual projects, there is little to no evidence to suggest that the private sector capital will be attracted to a significantly expanded pool of transportation revenues. Rather, PPTA projects have been funded almost entirely with either traditional transportation funds or municipal bond debt backed by tolls or other public tax sources that are then supplemented with traditional state and federal transportation revenues.

Evidence suggests that the PPTA process itself has evolved and grown substantially beyond its original intent and is now the "only process" for driving transportation policymaking decisions to an extent not originally envisioned. As available transportation construction dollars decline, transportation decision-making authority is ultimately shifting away from the Commonwealth Transportation Board (CTB) to the PPTA proposer and the "responsible public entity" in charge of implementing the project. In point of fact, it is the CTB that is charged with the location, decision-making, and financing of transportation project in Virginia. However, the CTB has no statutory role and only limited guidelines have been established for the CTB's role in the PPTA process.

In the mid-1990's the Secretary of Transportation was made Chairman of the CTB instead of the VDOT Commissioner for the purposing of "distancing" the line agencies from CTB policymakers. If the PPTA is going to be used as a method for soliciting ideas on whether or not to build a transportation project, the enabling statue should be changed to put more decision-making authority into the hands of policymakers instead of agency management staff.

The PPTA has evolved into a process in which large private-sector construction consortiums are proposing design/build/operate projects that primarily use taxpayer subsidized revenue bonds backed by high tolls, taxes, and then supplemented with whatever traditional government transportation revenues are available, including future federal revenue anticipation notes.

As a result, the PPTA process has accelerated projects of what some inside experts conclude to be "uncertain merit." Over the course of the past several years when the PPTA process has been utilized, projects using "off-the-top" state funding have been given priority over other projects in the CTB's six-year transportation plan. As a result, PPTA Projects that have not been through the "normal" transportation decision-making process and projects that have yet to achieve any semblance of consensus, have been approved and negotiated by VDOT. In some cases, major PPTA project have been recommended before a full alternatives review has

occurred under the National Environmental Policy Act (NEPA) process, which appears to “bias” the outcome in favor of the PPTA proposal.

These actions undercut the intended role of the public’s input and the CTB’s recommendation authority as it relates to the funding and location of major transportation improvements. An honest assessment is that PPTA ideas are being solicited to assess a project’s viability before consensus has even been achieved on whether a project should be built.

These developments raise serious policy concerns for the City of Norfolk, who recently experienced the Midtown/Downtown/MLK PPTA project. Although public-private partnerships can be a useful tool, the PPTA statute and implementing guidelines need to be revised to address the current shortcomings that are increasingly becoming evident over the past 19 years since implementation.

The City therefore offers the following recommendations for improving the PPTA process:

1. Give the CTB a more direct statutory role in the PPTA process.
 - a. Require any PPTA proposal to be part of the CTB six-year transportation plan before the PPTA Steering Committee reviews a preliminary proposal.
 - b. Require CTB approval for any PPTA Steering Committee recommendation before negotiating a Comprehensive Agreement.
 - c. Consider deleting from statute the Governor’s ability to remove CTB Members before the expiration of their 4-year term.
2. Provide more clarity in the PPTA statute and/or guidelines for considering a PPTA proposal before the NEPA process has concluded.
 - a. As condition of signing the PPTA Comprehensive Agreement, the CTB should have approved the project as a recommended NEPA alternative; or
 - b. Provide more clarity concerning what is being negotiated with a PPTA proposer before a NEPA recommendation is made to the CTB.
3. Require the PPTA proposer to invest a certain amount of equity in a toll project or buy a certain percentage of the bonds floated for a toll road project.
4. Require a minimum of at least two (2) competing detailed proposals before moving forward on a PPTA selection.
 - a. It is impossible to accomplish a value analysis without competing proposals being examined for cost savings and efficiencies.
5. Require an independent verification of traffic and cost estimates for the impacted Metropolitan Planning Organization’s verification.
6. Review and update VDOT design-build limitations to lessen the need for PPTA proposals.
7. Provide clearer guidance in statute on the use of non-compete clauses in any PPTA Comprehensive Agreements.
8. Include more of the PPTA process by statute rather than relying upon guidelines and interpretations that can be easily altered.
9. The public needs to know the contract terms and concessions that have been agreed to in a PPTA Comprehensive Agreement before it is signed.

Legislative Priority # 5: The City of Norfolk supports legislative efforts to align the local Commonwealth Transportation Board appointments based upon established congressional districts as opposed to construction districts.

The Commonwealth Transportation Board is primarily comprised of members appointed from “construction districts” that were established in the 1920’s based on their geographic location. As presently designated, these construction districts reflect areas where VDOT once had centralized operations. However since the time of being established, the Commonwealth’s population has greatly shifted and coalesced primarily along I-95/I-64 corridor and the I-66/I-81 corridor. Currently, these construction districts and the representation on the Commonwealth Transportation Board do not correlate or even come close to the current population distribution across the Commonwealth—not counting economic activity considerations.

Virginia has a long held tradition of insisting upon representational democracy and the same should be true for how the Commonwealth determines its allocation of CTB appointments. Having the CTB representation aligned with congressional districts is the most equitable and fair methodology for determining CTB representation.

The General Assembly is therefore requested to amend the Code of Virginia so that each CTB member is selected from each congressional district while maintaining at-large members. For example, under the proposed scenario, Hampton Roads would include four CTB members representing the 1st, 2nd, 3rd, and 4th Congressional Districts plus at-large members residing within Hampton Roads.

Legislative Priority # 6: The City of Norfolk supports continued funding of the Virginia Intercity Operating and Capital Fund (IPROC) at levels set forth in the Virginia Transportation Act of 2013.

IPROC is a unique and critically important fund that allows the Commonwealth to sustain regional Amtrak intercity passenger rail service, provides a funding source for investing and improving intercity passenger rail service, and is a source for federal match funding for enhancing passenger rail corridors.

Preservation of IPROC is critically important for the continued operation of the two Hampton Roads regional Amtrak trains in Newport News and Norfolk. It also provides for future passenger rail infrastructure improvement projects and required federal studies for expanding intercity passenger rail throughout the Commonwealth.

Legislative Priority # 7: The City of Norfolk supports legislation to equitably distribute the apportionment of outstanding teacher retirement plan liability.

As a result of new Government Accounting Standards Board (GASB), the Virginia Retirement System (VRS) must recognize its unfunded liabilities for the teacher retirement plans. These unfunded teacher retirement liabilities will first appear on local financial statements in FY 15 and will be based on VRS's FY 14 valuation.

GASB requires that the unfunded liability must be apportioned among the participating employers that pay the retirement contributions to the pension plan. In Virginia, teachers are considered employees of the school board, which send retirement contributions to VRS. However, the Commonwealth, through the VA Department of Education, only reimburses the school boards based on the number of Standards of Quality-authorized positions and the locality's composite index. Thus, the Commonwealth is actually not considered a direct payor and the outstanding teacher retirement costs will be apportioned among the school divisions by VRS based on each division's percent of payroll.

Regardless of the fact teacher retirement contributions are funded by the state and school board, under the new GASB rules, the unfunded liability falls solely on the school boards. This means that each division's liability will now be shown on each city, county, or town's financial statements as an unfunded liability. These liabilities will not be reflected on the Commonwealth's financial statements.

There are a number of reasons these unfunded teacher retirement liabilities should not be considered in determining local government bond ratings and creditworthiness:

1. The Commonwealth sets require a minimum number of teachers and significantly shares in the costs of teacher salaries.
2. For more than 20 years, the Commonwealth has chosen to fund its teacher retirements plan at rates below those recommended by the VRS Board of Trustees.
3. Over the years, the Commonwealth has expanded retirement benefits by decreasing age and service requirements.
4. The General Assembly sets many of the retirement benefits, including requirements that retirement, group life insurance, and health insurance credits are offered.
5. Similar to teacher salaries, the unfunded teacher retirement liability should be a shared responsibility.

In summary, the consistent underfunding, benefit increases and investment losses are directly attributable to the magnitude of the current shortfall of the teacher retirement plan, which only has 60% of the assets needed to pay retirement liabilities. The unfunded liability associated with teacher retirement plans should be a equitably shared responsibility of both state and local government.

Legislative Priority # 8: The City of Norfolk supports legislation that would authorize local governments to use third party tax lien transfers as tools to help property owners in settling real estate tax delinquencies under certain conditions.

Increasing real estate tax delinquencies deprive local governments of desperately needed revenue, totaling millions of dollars across the Commonwealth. Existing statutory authorized processes to facilitate delinquent tax payments are very limited. Many residential and commercial property owners find themselves temporarily unable to pay their property taxes for a variety of reasons.

The tax lien transfer model has been successfully used in many other states. Under this model, the property owner is in complete control of the process. The property owner, not the local governments, decide if they wish to utilize a tax lien transfer as well as which third private party transferee they desire to work with. The transferee pays the local government directly on behalf of the property owner and the tax lien held by the local government is transferred to the third party as security for the transaction. This enables the local government to collect delinquent taxes quickly and efficiently and provides more options to property owners.

Legislative Priority # 9: The City of Norfolk supports legislation to provide sufficient state funding for additional unfunded Family Access to Medical Insurance Security (FAMIS) administrative responsibilities.

Currently, the FAMIS program has shared responsibilities between state and local governments. Local social service agency staff process applicants who are eligible for Medicaid and the Commonwealth processing applicants eligible for FAMIS.

However, effective October 1, 2013, applications for the FAMIS program will become the responsibility of local social service agencies. Effective December 31, 2013, the Commonwealth's central processing unit that has been responsible for processing FAMIS application will cease operations and become the responsibility of local agencies. No commiserate funding appropriation has been identified for these added processing responsibilities at the local level.

This unfunded shift in local in FAMIS administrative responsibilities comes at a time when local social service staffs are handling ever-increasing caseloads with local agencies operating with already significantly reduced state funding. This shift in FAMIS responsibilities will require additional staff and increase operational costs at the local level and should be accompanied by sufficient state funding to offset the increase local government costs.

Legislative Priority # 10: The City of Norfolk supports legislation to provide a local-option as to whether or not to restrict or curtail the use of plastic bags in their jurisdictions.

Plastic bags that are not buried in landfills are typically littered, windblown or recycled. Recycled plastic bags are valuable, but bulk recycling is difficult as the bags foul the recycling equipment. Generally, plastic bags are not biodegradable. Instead, littered bags break down into smaller toxic bits that contaminate soil and waterways, and enter into the food web when animals accidentally ingest those materials.

Stranded marine mammals including whales, dolphins and sea turtles have been found with plastic debris in their digestive systems, and entangled in the bags. Farmers have voiced major concerns about littered plastic bags because they can get caught in cotton stalks and contaminate cotton crops. In urban areas, they clog storm sewer outfalls, block sunlight from critical shoreline habitat and litter shorelines, parks and other public and private areas.

Using plastic bags provides retailers effectiveness, efficiency and convenience in delivering their products to consumers. However, improper disposal of plastic bags is widespread and they are a significant source of pollution. Local governments nationwide have considered voluntary recycling efforts and other strategies to reduce plastic bag waste and litter. Some are turning to plastic bag bans, taxes and other incentives to reduce the use of these bags and subsequent littering.

In this regard, Virginia local governments should be authorized to decide for themselves which solutions and programs they wish to explore for meaningfully addressing plastic bag litter.

City of Norfolk's 2014 Virginia General Assembly Recommended State Budgeting Principals

As it relates to state budgeting and considering the significant economic downturn, the Norfolk City Council respectfully requests that the Governor and General Assembly not:

1. Further restrict local revenue authority or sources without providing alternative revenue authority and sustainable revenue sources. This includes BPOL and M&T taxes.
2. Confiscate or re-direct local general funds and special funds to the state treasury.
3. Impose new funding requirements or expand existing ones on services delivered by local governments.
4. Shift state funding responsibilities onto local governments, including law enforcement and public safety activities.
5. Impose state fees, taxes or surcharges on local government services.
6. Place additional administrative burdens on local governments.

The City Council further respectfully requests the Governor and the General Assembly begin efforts to accomplish the following necessary state budgeting tasks:

1. Immediately examine all state requirements and service expansions to determine those that can be suspended or modified to alleviate some of the financial burden on state and local taxpayers.
2. Develop and regularly communicate state spending and revenue priorities of the Commonwealth.
3. After all other actions have been taken to eliminate those state programs determined to be unnecessary, the state should consider strategies for the state's full funding to adequately meet its constitutional and statutory obligations.
4. Local government representatives should be included on any "blue ribbon" commission or other body established by the Commonwealth for the purpose of making recommendations for changes to local revenue authority or governance.

City of Norfolk's 2014 Virginia General Assembly Requested Budget Amendments

The City of Norfolk respectfully requests the General Assembly to consider the following budget amendments:

1. Provide sufficient funding for supporting a two (2) year Joint Study Committee to further investigate and make recommendations on recurrent coastal flooding in Virginia.
2. Provide sufficient funding for the creation of an accreditation assistance fund for consistently underperforming schools to subscribe to for funding assistance in the provision of public education programs aimed to improve the quality of education and accreditation scores (i.e. extended school day, enhanced teacher training, pre-kindergarten, etc.).
3. Provide full funding of the Norfolk Light Rail Extension to the Naval Station Norfolk Draft Environmental Impact Study (approximately \$7 million).
4. Provide full funding of the Virginia Port Payment in Lieu of Taxes funding formula.

Appendix 1:

Contact Information for
Norfolk's Local, State, and Federal Elected Officials

Norfolk City Council Contact Information

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<p>Senator Frank Wagner (R-7th) P.O. Box 68008 Virginia Beach, VA 23471</p> <p>757-671-2250 (District Office) 804-698-7507 (Richmond Office) district07@senate.virginia.gov</p>	<p>Delegate Johnny Joannou (D-79th) 709 Court Street Portsmouth, VA 23704</p> <p>757-399-1700 (District Office) 804-698-1079 (Richmond Office) DelJJoannou@house.virginia.gov</p>
<p>Delegate Matthew James (D-80th) P.O. Box 7487 Portsmouth, VA 23707</p> <p>757-967-7583 (District Office) 804-698-1080 (Richmond Office) DelMJJames@house.virginia.gov</p>	<p>Delegate Chris Stolle (R-83rd) P.O. Box 5429 Virginia Beach, VA 23471</p> <p>757-633-2080 (District Office) 804-698-1083 (Richmond Office) DelCStolle@house.virginia.gov</p>
<p>Delegate Daun Hester (D-89th) 1751 Church Street Norfolk, VA 23504</p> <p>757-613-3318 (District Office) 804-698-1089 (Richmond Office) DelHester@house.virginia.gov</p>	<p>Delegate Algie T. Howell (D-90th) P.O. Box 12865 Norfolk, VA 23541</p> <p>757-466-7525 (District Office) 804-698-1090 (Richmond Office) DelAHowell@house.virginia.gov</p>
<p>Delegate Lynwood W. Lewis (D-100th) P.O. Box 760 Accomac, VA 23301</p> <p>757-787-1094 (District Office) 804-698-6700 (Richmond Office) DelLewis@house.virginia.gov</p>	

Norfolk Congressional Delegation Contact Information

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<p>The Honorable Scott Rigell (R- VA 2nd) United States House of Representatives 327 Cannon House Office Building Washington, DC 20515</p> <p>202-225-4215 (Office)</p>	<p>The Honorable Robert C. Scott (D-VA 3rd) United States House of Representatives 1201 Longworth House Office Building Washington, DC 20515</p> <p>202-225-8351 (Office)</p>
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